



CORONATION BALANCED DEFENSIVE FUND
31 MARCH 2010

CORONATION
FUND MANAGERS

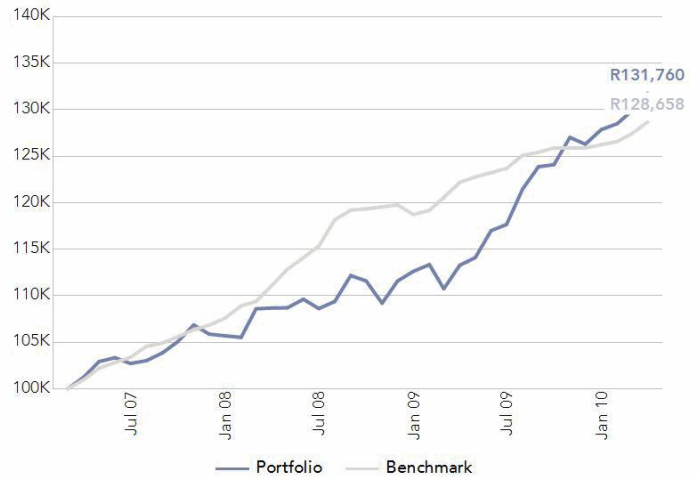
Fund purpose	A multi-asset fund for cautious investors requiring stable returns
Fund sector	Domestic – Asset Allocation – Prudential Low Equity
Benchmark	Returns in excess of inflation + 2.5% per annum
Risk profile	Cons Mod Aggr

HIGHLIGHTS

- Positive returns over all 12-month periods since launch, despite the market turbulence of 2008
- 2nd best performing single manager fund in fund sector since launch
- Seasoned portfolio managers with more than 40 years combined experience

LONG-TERM TRACK RECORD

GROWTH OF A R100,000 INVESTMENT AT INCEPTION



INVESTMENT OBJECTIVE

Balanced Defensive is specifically managed to be a suitable investment portfolio for investors requiring a current income of 4%-6%, while preserving the purchasing power of their capital over time. To improve the probability of achieving its dual objective our focus is on constructing a portfolio that can produce a reasonable real return over time while minimising the variability of returns from year to year. Our intent is preserve capital over any 12-month period, while maintaining the ability to produce a medium-term return in excess of inflation + 2.5% p.a.

GENERAL INFORMATION

Launch date	1 February 2007
Income distribution	Quarterly (March, June, September and December)
Investment minimum	R5 000 lump sum or R500 monthly debit order
Regulation 28	Complies

INVESTMENT MANDATE

The fund is broadly diversified across asset classes including shares, listed property, conventional bonds, inflation-linked bonds, cash and other appropriate instruments. Active asset allocation and security selection strategies appropriate to the needs of conservative investors are followed. Exposure to risky assets, defined as shares and property listed in both South African and foreign markets, will not exceed 40%. Exposure to foreign assets is limited to 20%. The fund's broad diversification and exposure constraints make it suitable as a single solution for cautious investors and for all pensioners requiring an income after retirement.

INVESTOR PROFILE

The fund is suitable for investors:

- seeking a defensive investment solution enabling an annual 4%-6% income drawdown with a reasonable probability of preserving capital in real terms
- requiring a reasonable rate of return over investment horizons of less than 3 years
- with a low tolerance for the volatility of returns associated with equity investing

This fund is not suitable for investors seeking to aggressively accumulate capital over an extended period of time.

RISK OF MONETARY LOSS

The recommended investment term for this fund is 2 years and longer. The fund has some exposure to risky assets that will cause price fluctuations from day to day, making it unsuitable as an alternative to money market funds for short-term investments (less than 6 months). However, the fund is managed to not lose money over any 12-month period, and losses over any 6 month period are unlikely. Note that while capital preservation is our intent, this is not a guaranteed fund.

CORONATION FEES (excl. VAT)

Initial	0.00%
Annual management	0.00% - 1.50%

Fee Methodology

The fund charges a fixed management fee, with a discount formula designed to reflect its capital preservation intent. A normal management fee of 1.50% p.a. is charged, as long as the performance produced by the fund remains positive.

When the fund declines in value over any 12 month period, the management fee will reduce to 0.75%, and should the value of the fund decline over any 24 month period, no fee will be charged. Fees are accrued daily and collected monthly.

TOTAL EXPENSE RATIO (TER)¹

1.76% per annum

INVESTMENT PHILOSOPHY

Coronation is a research-driven investment house. All members of the investment team have research responsibilities, where our focus is on establishing a fair value for each of the companies that we follow. Our approach is based on forming firm views on the long-term valuations of businesses. We buy companies that are temporarily underpriced by the market, and avoid those that are trading above our fair value. We believe that mispricings occur regularly, often due to the short-term focus of most investors. This approach enables us to construct a concentrated, differentiated portfolio with a high degree of conviction. It also supports the discipline required to remain committed to positions that are often materially different to what conventional wisdom will dictate. In the long run, this approach has led to exceptional returns for our investors.



ADVICE FEES

Coronation does not provide financial advice and therefore does not charge advice fees. However, investments are often placed on your behalf by a financial advisor, in which case fees are negotiated directly between you and your advisor, within the following ranges:

Initial	0.00% - 3.00%
Ongoing	0.00% - 1.00% when the initial fee is less than 1.50%
	0.00% - 0.50% when the initial fee is more than 1.50%

Sharing of annual management fees

A portion of Coronation's annual management fee may be paid to administration platforms as a subsidy for administrative and advice costs incurred when investing through these channels. Where commission and incentives are paid, these are included in the overall costs.

INVESTMENT TEAM

We have one of the most experienced and talented investment teams in the country operating in a culture of excellence. Led by Chief Investment Officer Karl Leinberger, the team is made up of 55 investment professionals. Key focus areas include equity research, with dedicated teams based in Cape Town covering South-African, Pan-African and emerging markets. Our team also comprises experienced fixed income and quantitative research teams and a London-based international multi-management team. Our team of ten senior portfolio managers is supported by dedicated dealing and implementation teams.

Investment team facts:

- Includes three former chief investment officers
- 24 members with 10 years or more in the industry (9 team members have more than 15 years experience)

PORTFOLIO MANAGERS

- CHARLES DE KOCK, *BCom (Hons), MCom (Economics)*
Charles is a senior portfolio manager with more than 23 years' investment experience. He plays a leadership role in the asset allocation process and is responsible for the management of a number of balanced retirement funds as well as the core benchmark conscious equity portfolios. These include some of our largest retirement fund clients. Charles is also co-manager of the Coronation Balanced Defensive unit trust fund. As a senior member of the team he is involved in all investment discussions, is a regular spokesperson in the media and a popular speaker at client meetings.
- MARK LE ROUX, *BCom*
As head of fixed interest investments Mark is responsible for the fixed interest investment process and portfolio management functions for both institutional and retail portfolios. Before joining Coronation in August 2005 he was with Decillion where he was integral in the development of, and responsible for the management of, South Africa's first fixed interest hedge fund, the Granite Fixed Income Hedge Fund. Mark has 18 years' experience in managing traditional fixed interest portfolios (both institutional and unit trust assets) as well as hedge funds, having worked with OMAM, African Harvest and Decillion.
- NEILL YOUNG, *BBusSc (Hons Finance), CA (SA), CFA*
Neill joined Coronation in 1998 after completing his articles at Deloitte & Touche, and also spending time in Luxembourg and New York with the firm. He currently co-manages the Coronation Financial and Balanced Defensive Funds.