KAGISO EQUITY ALPHA

CLASS A as at 30 June 2009

PORTFOLIO MANAGER COMMENTARY

Equity markets continued to rally in the second quarter following a sharp recovery in March. Base effects in key economic variables have contributed significantly to the renewed optimism, despite deteriorating company fundamentals as a result of the stronger currency. The Fund's underweight position in Resources counters, most notably the Gold shares, contributed significantly to the Fund's outperformance over the quarter, as Gold's safe haven status started to wane.

Commodity prices continued higher in Q2, led by Crude Oil prices (up 41%), Copper (up 23%) and Rhodium (up 23%). The Gold price advanced by 2% over the quarter in US$ terms, whilst the Rand gold price declined by 17% as a result of the stronger currency.

The Fed maintained its Fed Funds target range of 0% to 0.25% throughout Q2 2009, whilst reiterating that its target rate will remain near zero "for an extended period" and that it will continue to buy Treasury bonds and mortgage-backed securities. US Q1 GDP declined by 5.5% annualised, worse than consensus expectations of around a 4.6% decline. Despite these developments, international equity markets rebounded strongly in Q2, with the US Dow Jones index (up 11%), the Japanese Nikkei 225 index (up 23%) and the S&P500 (up 15%) recording impressive gains.

The local market was up 8.2% in rand terms, with Industrials (up 14%), Financials (up 12%) being the best sectors and Resources (up 3%) performing the worst. Gold Mining was the worst sector (down 16%), followed by Automobiles & Parts (down 10%) and Oil & Gas (down 1%).

The rally in Resources stocks that commenced in March dissipated during Q2, with Gold stocks leading the decline. DRD Gold (down 22%) and Harmony (down 20%) led the declines amongst the Gold counters, whilst Lonmin (down 21%) declined the most amongst the Platinum counters. Anglo American (up 40%) was the best performing Resources counter, boosted by the Xstrata offer to merge the two companies.

Financial stocks were led higher by Old Mutual (up 45%) as risk appetite returned to equity markets and given the company's gearing to market movements. Old Mutual's subsidiary Nedbank (up 24%) led the Banks higher as the sectoral rotation out of Resources stocks continued.

Construction shares led the Industrial index higher, led by Raubex (up 55%) and Aveng (up 34%), whilst Naspers (up 26%) led the advance in the Media counters, following strong gains in its associate company, Tencent's share price.

Our Fund's relative performance over the quarter was positively impacted by our underweight allocation to the Resources sector, most notably the underweight positions in the Gold counters. Generally, our industrial stock selection added positively to the Fund's outperformance, but our overweight position in Illovo detracted from performance. Our overweight position in Old Mutual and Banks contributed significantly to the Fund's outperformance, whilst the underweight position in Nedbank detracted from performance.

The Fund remains fairly aggressively positioned in our best stock selections, based on our team's proven bottom-up stock picking process.

Portfolio manager
Gavin Wood

KAGISO EQUITY ALPHA

CLASS A as at 30 June 2009

KAGISO Asset Management

Fund category	Domestic - Equity - General
Fund description	Aims to maintain top quartile performance in its category.
Launch date	26 April 2004
Portfolio manager/s	Gavin Wood
Fund size	R 8.00 million
NAV	277.32 cents
Benchmark	Domestic Equity General Funds Mean

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2009
Domestic Assets	**96.77%**
Equities	**87.35%**
Oil & Gas	7.25%
Basic Materials	6.79%
Industrials	9.77%
Consumer Goods	7.14%
Health Care	4.43%
Consumer Services	19.89%
Telecommunications	9.02%
Financials	27.11%
Technology	0.93%
Derivatives	(4.99)%
Preference Shares & Other Securities	**2.11%**
Cash	**7.31%**
International Assets	**3.23%**
Equities	**3.23%**

TOP 10 HOLDINGS

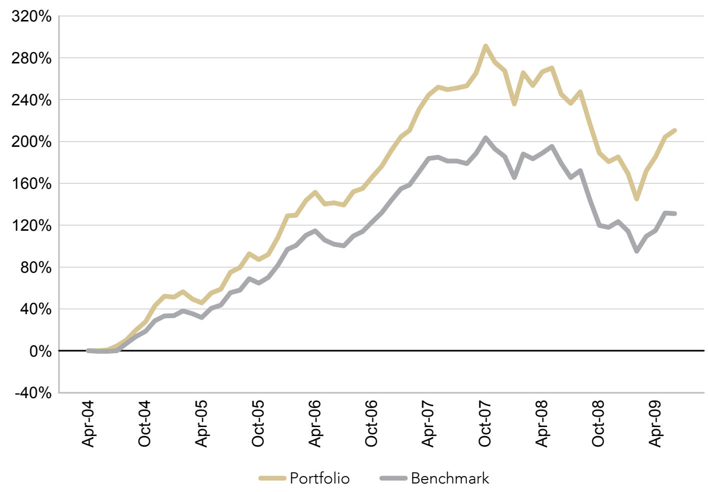
As at 30 Jun 2009	% of Fund
MTN Group Ltd	8.64%
Naspers Ltd	8.32%
Sasol Limited	7.25%
FirstRand	6.64%
Standard Bank of SA Ltd	5.67%
Tongaat Hullett Ltd	3.54%
Discovery Holdings Ltd	3.50%
Kagiso Media Ltd	3.22%
Avusa Opco Holdings	3.08%
Johannesburg Stock Exchange Ltd	2.74%
Total	**52.59%**

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2009	01 Apr 2009	5.60	5.51	0.09
30 Sep 2008	01 Oct 2008	0.33	0.31	0.02
31 Mar 2008	01 Apr 2008	2.12	1.88	0.24
28 Sep 2007	01 Oct 2007	3.26	2.42	0.84

PERFORMANCE AND RISK STATISTICS

CUMULATIVE PERFORMANCE SINCE INCEPTION



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	210.57%	131.03%	79.54%
Since Inception (annualised)	24.53%	17.59%	6.93%
Latest 5 years (annualised)	25.22%	18.32%	6.90%
Latest 3 years (annualised)	8.75%	4.59%	4.17%
Latest 1 year (annualised)	(10.04)%	(17.24)%	7.20%
Year to date	8.83%	3.33%	5.49%
2008	(22.38)%	(21.70)%	(0.67)%
2007	26.15%	17.04%	9.11%
2006	39.90%	34.27%	5.63%
2005	36.96%	36.31%	0.65%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	17.64%	15.88%
Sharpe Ratio	0.86%	0.52%
Maximum Gain	52.10%	42.25%
Maximum Drawdown	(37.37)%	(35.71)%
Positive Months	70.97%	66.13%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2009	(5.65)%	(8.99)%	10.90%	4.95%	6.70%	2.05%						
Fund 2008	(8.68)%	8.94%	(3.30)%	3.69%	0.96%	(6.76)%	(2.52)%	3.20%	(8.72)%	(8.81)%	(2.92)%	1.69%
Fund 2007	4.50%	2.00%	6.43%	4.14%	2.26%	(0.72)%	0.41%	0.62%	3.42%	7.13%	(3.97)%	(2.16)%

FEES (excl. VAT)

Initial Fee*	Kagiso: 0.00%
Annual Management Fee**	1.00%

* A portion of Kagiso's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.

Advice Costs (excluding VAT)

- Initial and ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor.
- An initial advice fee may be negotiated to a maximum of 3% and is applied to each contribution and deducted before investment is made.
- Ongoing advice fees may be negotiated to a maximum of 1% per annum (if initial advice fee greater than 1.5% is selected, then the maximum annual advice fee is 0.5%), charged by way of unit reduction and paid to the Financial Advisor monthly in arrears. This annual advice fee is not part of the normal annual management fee as disclosed above.
- Where commission and incentives are paid, these are included in the overall costs.

Total Expense Ratio (TER)[2]	4.18% per annum

Please note that this fund was renamed from *Kagiso Active Quants* to the above, effective 1 Febuary 2009.

CORONATION FUND MANAGERS

Client Service: 0800 22 11 77 **Fax:** (021) 680 2500 **Email:** clientservice@coronation.co.za **Website:** www.coronation.com