KAGISO PROTECTOR

CLASS A as at 31 March 2010

PORTFOLIO MANAGER COMMENTARY

The FTSE/JSE Top 40 SWIX index was up 4.4% over the quarter and is now 62% higher than its March 2009 lows (in dollar terms the index is up 136% from its March 2009 lows). Developed markets showed a mixed performance in dollar terms over the quarter with the US and Japanese markets positive (S&P 500 up 5.4%, Nikkei 225 up 4.8%), whilst European and Asian markets were generally weaker (FTSE 100 down 0.4%, CAC 40 down 4.8%, DAX down 2.6% and Hang Sang down 2.8%). Emerging markets were strong in dollar terms (MSCI Emerging Markets index up 2.5%) with the exception of China (MSCI China down 1.6%).

We believe that the increases in global industrial production and consumer expenditure seen over the last quarters are off a very low base and have occurred in the presence of temporary unprecedented and globally co-ordinated fiscal and monetary stimulus. It is our view that the apparent "old trend level" trajectory of very strong global economic activity in the years prior to the credit crisis will not be reached post the recovery, due to the necessary structural declines in global leverage. There are a number of stocks that (in our view) have risen to levels that price in a quick return to "old trend level" growth (especially amongst the large cyclical resources and cyclical industrials) and we aim to avoid exposure to these stocks.

Since the market peak of May 2008, the Protector Fund has succeeded in its objective of asymmetric equity market participation. By having a strong equity participation in the rally (March 2009 to March 2010) as compared to the market crash (June 2008 to February 2009), the fund produced 2.7% (net of fees) over the entire period (June 2008 to March 2010), versus -6.3% for the FTSE JSE Top 40 Swix index. This asymmetric profile has resulted in the fund producing solid real returns ahead of inflation over longer periods, which is its objective.

Implied option volatility (an indicator of the cost of portfolio insurance), as measured by the South African Volatility Index (SAVI), is currently at 19%, the lowest level since 2007 and well below the credit crisis peak of 58% in October 2008. Investor fear levels are now well below average and the cost of purchasing protection is (in our view) cheap relative to history. The fund volatility since inception is 10.5% versus 19.7% for the FTSE/JSE Top 40 index.

Globally, inflation is expected to remain subdued in the medium-term, primarily as a result of excess capacity. In South Africa, the upward pressure of administered price increases (electricity and municipal rates) should be countered by low food inflation and low import inflation (the Rand has strengthened by 24% over the year to March 2010). We expect CPI to remain below 6% over the next two years.

The current rating of the FTSE JSE All Share index (price-earnings ratio of 18X and significantly above its long-term average of 11.8X) suggests that the market as a whole is expensive, even after accounting for strong future earnings growth, reinforcing the need for judicious stock selection. The fund continues to be positioned so as to produce long-term returns in excess of inflation, whilst protecting against any potential downside and high volatility in the equity markets.

Portfolio manager
Jihad Jhaveri

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KAGISO Asset Management

Fund category	Domestic - Asset Allocation - Targeted Absolute & Real Return	Fund size	R 4.20 million
Fund description	Aims to provide steady capital growth and returns that are better than market returns on a risk adjusted basis over the medium to longer-term.	NAV	1948.47 cents
Launch date	11 December 2002	Benchmark	Risk adjusted returns of an appropriate SA large cap index
Portfolio manager/s	Jihad Jhaveri		

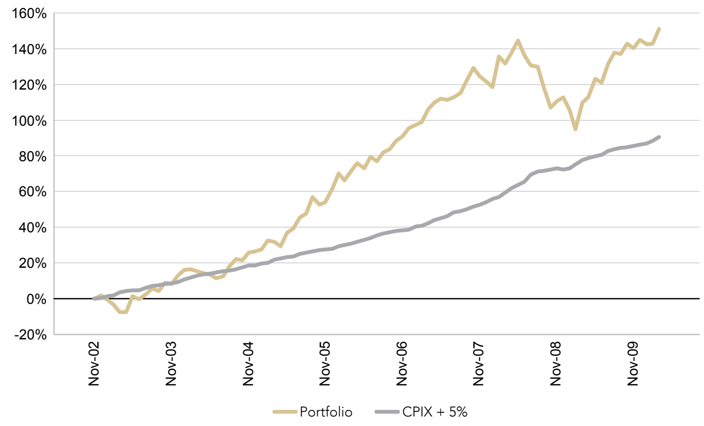
PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2010
Domestic Assets	**98.94%**
Equities	**57.83%**
Oil & Gas	4.88%
Basic Materials	6.11%
Industrials	1.76%
Consumer Goods	5.82%
Health Care	0.49%
Consumer Services	6.52%
Telecommunications	7.73%
Financials	12.18%
Derivatives	12.34%
Cash	**41.11%**
International Assets	**1.06%**
Equities	**1.06%**

PERFORMANCE AND RISK STATISTIC

CUMULATIVE PERFORMANCE SINCE INCEPTION



TOP 10 HOLDINGS

As at 31 Mar 2010	% of Fund
MTN Group Ltd	7.31%
Sasol Limited	4.88%
Standard Bank of SA Ltd	4.27%
Naspers Ltd	3.82%
FirstRand	3.00%
Impala Platinum Holdings Ltd	2.09%
Compagnie Financiere Richemont SA	1.83%
ABSA Group Ltd	1.77%
BHP Billiton Plc	1.70%
Tongaat Hullett Ltd	1.59%
Total	**32.25%**

PERFORMANCE FOR VARIOUS PERIODS

	Fund	CPIX + 5%	Outperformance
Since Inception (unannualised)	151.04%	90.76%	60.29%
Since Inception (annualised)	13.37%	11.07%	2.30%
Latest 5 years (annualised)	13.75%	11.89%	1.86%
Latest 3 years (annualised)	6.82%	13.41%	(6.60)%
Latest 1 year (annualised)	19.66%	10.30%	9.36%
Year to date	2.47%	3.17%	(0.71)%
2009	15.19%	11.33%	3.86%
2008	(4.09)%	15.33%	(19.42)%
2007	13.45%	13.57%	(0.12)%
2006	21.04%	9.97%	11.06%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2010	01 Apr 2010	13.66	2.96	10.70
30 Sep 2009	01 Oct 2009	26.37	6.42	19.95
31 Mar 2009	01 Apr 2009	103.26	55.33	47.93
30 Sep 2008	01 Oct 2008	59.62	10.05	49.57

RISK STATISTICS SINCE INCEPTION

	Fund	Top 40 Index
Risk adjusted returns (RAR)	1.30%	0.95%
Annualised Deviation	10.30%	19.72%
Maximum Gain	21.31%	37.42%
Maximum Drawdown	(20.38)%	(43.42)%
Positive Months	62.50%	61.36%

Risk adjusted returns (RAR) is defined as annualised returns divided by the annualised standard deviation.

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2010	(1.01)%	0.02%	3.49%									
Fund 2009	(3.40)%	(5.25)%	7.77%	1.33%	4.91%	(0.93)%	4.71%	2.76%	(0.34)%	2.41%	(1.02)%	2.01%
Fund 2008	(1.54)%	7.91%	(1.75)%	2.76%	2.78%	(3.27)%	(2.44)%	(0.35)%	(4.82)%	(5.34)%	1.69%	0.97%

FEES (excl. VAT)

Initial Fee*	Kagiso: 0.00%
Annual Management Fee**	0.75%

* 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	2.00% per annum

CORONATION FUND MANAGERS

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