PORTFOLIO MANAGER COMMENTARY

The Dow Jones Euro Stoxx 50 index fell by 18.7% (in dollar terms) over the quarter as markets began to digest the impact of European sovereign debt concerns. It has been our long-standing view that the "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. The European debt crisis this quarter has brought this realisation home, with many developed world governments (notably the new UK Conservative government) spelling out the blue print to restore long-term sovereign financial health: budget cuts, wage squeezes, reduced citizen benefits and increased taxation.

The MSCI World index was down 12.5% (in dollar terms), with the local FTSE/JSE Top 40 SWIX index down 8.6% over the quarter and down 3.8% year to date (in rands). The Kagiso Protector Fund is down 1.3% year to date.

We believe that the increases in global industrial production and consumer expenditure seen over the last quarters are off a very low base, and are in the presence of temporary unprecedented and globally co-ordinated fiscal and monetary stimulus. Early signs of the inevitable slowdowns, as governments start weaning consumers off stimulus, have already been felt in US housing starts and global vehicle sales.

Implied option volatility (an indicator of the cost of portfolio insurance), as measured by the South African Volatility index (SAVI) dropped to below 19% in April, the lowest level since 2007 and well below the credit crisis peak of 58% in October 2008. Investor fear levels which were well below average in April increased substantially as the SAVI ended the quarter close to 30%. Since inception the fund volatility has been 10.3% 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 still low import inflation. 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 16X and still above its long-term average of 11.8X) suggests that the market as a whole is still 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

KAGISO PROTECTOR

CLASS A as at 30 June 2010

KAGISO Asset Management

Fund category	Domestic - Asset Allocation - Targeted Absolute & Real Return
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.
Launch date	11 December 2002
Portfolio manager/s	Jihad Jhaveri

Fund size	R 3.70 million
NAV	1863.88 cents
Benchmark	Risk adjusted returns of an appropriate SA large cap index

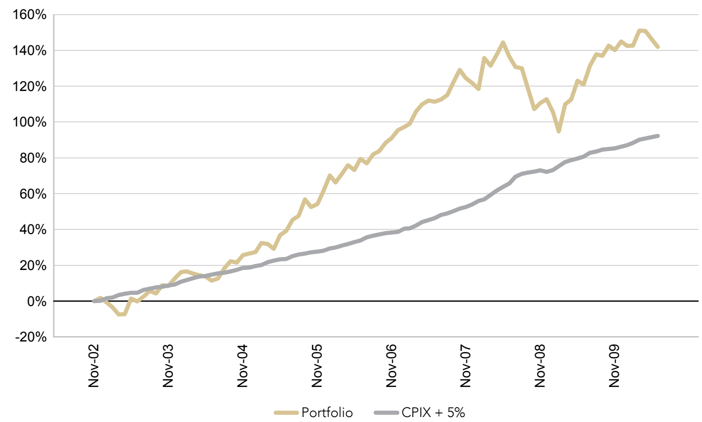
PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2010
Domestic Assets	**98.32%**
Equities	**36.05%**
Oil & Gas	2.83%
Basic Materials	4.09%
Industrials	1.84%
Consumer Goods	5.02%
Health Care	0.54%
Consumer Services	6.32%
Telecommunications	6.14%
Financials	9.28%
Real Estate	**0.34%**
Cash	**61.92%**
International Assets	**1.68%**
Equities	**1.68%**

PERFORMANCE AND RISK STATISTICS

CUMULATIVE PERFORMANCE SINCE INCEPTION



TOP 10 HOLDINGS

As at 30 Jun 2010	% of Fund
MTN Group Ltd	5.61%
Standard Bank of SA Ltd	3.32%
Sasol Ltd	2.83%
Naspers Ltd	2.68%
AECI Ltd	1.89%
FirstRand	1.86%
British American Tobacco Plc	1.68%
Compagnie Financiere Richemont SA	1.47%
Tongaat Hullett Ltd	1.41%
ABSA Group Ltd	1.29%
Total	**24.04%**

PERFORMANCE FOR VARIOUS PERIODS

	Fund	CPIX + 5%	Outperformance
Since Inception (unannualised)	141.85%	92.59%	49.25%
Since Inception (annualised)	12.35%	10.92%	1.43%
Latest 5 years (annualised)	11.68%	11.86%	(0.18)%
Latest 3 years (annualised)	4.59%	12.70%	(8.10)%
Latest 1 year (annualised)	9.45%	9.41%	0.04%
Year to date	(1.29)%	4.81%	(6.10)%
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)	1.21%	0.84%
Annualised Deviation	10.24%	19.66%
Maximum Gain	21.31%	37.42%
Maximum Drawdown	(20.38)%	(43.42)%
Positive Months	60.44%	59.34%

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%	(0.09)%	(1.84)%	(1.77)%						
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.

Total Expense Ratio (TER)²	2.14% per annum

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.

CORONATION FUND MANAGERS