

PORTFOLIO MANAGER COMMENTARY

Despite generally poor economic data over the quarter, some early signs of stabilisation saw markets rally strongly in the second quarter of the year. The MSCI World index ended the quarter up 21% in dollar terms, while the MSCI World Emerging Market index closed the quarter up 34.8%. Increasing risk appetite globally saw the more cyclical sectors outperform, while the more defensive sectors lagged the overall market.

Commodity prices in general ended the quarter in positive territory with base metals and oil in particular having a strong quarter. The oil price closed the quarter at 69.90 dollars per barrel, 41% higher than its previous quarter's closing level. On the currency front, the rand continued to strengthen against the dollar and closed the quarter at R7.70 to the dollar, 23% stronger than its March-09 closing level.

In line with global markets, the FTSE/JSE All Share index gained 8.3% over the quarter. The local market was particularly strong in the early half of the quarter (in May and June the market was up 10.3% and 1.4% respectively) but lost momentum towards the end of the quarter as concerns re-surfaced that the recovery in the SA economy would be slower than originally anticipated.

Industrials and Financials were the top performing sectors and closed the quarter up 14.0% and 12.3% respectively. Despite stronger commodity prices, Resources delivered a lacklustre performance (up 2.8% over the quarter) as the rand strength weighed heavily on the index. On a stock level, the Gold counters were the worst performers over the quarter as reflected by the Gold index which declined by 16.2% over the quarter. The top performing stocks over the quarter were Telkom (up 81%), Old Mutual (up 45%) and Anglo American (up 40%).

The FTSE/JSE Top 40 index ended the quarter up 7.7%, marginally underperforming the FTSE/JSE All Share index. On a net of fee basis, the fund marginally underperformed its benchmark, the FTSE/JSE Top 40 index over the quarter.

Portfolio manager

Aslam Dalvi

KAGISO TOP 40 TRACKER

CLASS A as at 30 June 2009

| | |
|----------------------------|---|
| Fund category | Domestic - Equity - Large Cap |
| Fund description | Provides low-cost passive access to the JSE Limited and aims to replicate the movements of the FTSE/JSE Top 40 Index over time. |
| Launch date | 23 January 1997 |
| Portfolio manager/s | Aslam Dalvi |

| | |
|------------------|-----------------------|
| Fund size | R56.80 million |
| NAV | 2682.34 cents |
| Benchmark | FTSE/JSE Top 40 Index |

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

| Sector | 30 Jun 2009 |
|------------------------|----------------|
| Domestic Assets | 100.00% |
| Equities | 98.15% |
| Oil & Gas | 6.29% |
| Basic Materials | 40.53% |
| Industrials | 2.99% |
| Consumer Goods | 8.00% |
| Health Care | 0.72% |
| Consumer Services | 7.49% |
| Telecommunications | 9.32% |
| Financials | 16.85% |
| Derivatives | 5.96% |
| Real Estate | 1.72% |
| Cash | 0.13% |

TOP 10 HOLDINGS

| As at 30 Jun 2009 | % of Fund |
|-----------------------------------|---------------|
| BHP Billiton Plc | 14.27% |
| Anglo American Plc | 10.95% |
| MTN Group Ltd | 8.02% |
| SABMiller Plc | 7.08% |
| Sasol Limited | 6.29% |
| Standard Bank of SA Ltd | 5.04% |
| Impala Platinum Holdings Ltd | 3.94% |
| Anglogold Limited | 3.66% |
| Compagnie Financiere Richemont SA | 3.09% |
| Naspers Ltd | 2.99% |
| Total | 65.32% |

INCOME DISTRIBUTIONS

| Declaration | Payment | Amount | Dividend | Interest |
|-------------|-------------|--------|----------|----------|
| 31 Mar 2009 | 01 Apr 2009 | 100.12 | 90.63 | 9.49 |
| 30 Sep 2008 | 01 Oct 2008 | 63.34 | 49.45 | 13.89 |
| 31 Mar 2008 | 01 Apr 2008 | 42.49 | 22.52 | 19.97 |
| 28 Sep 2007 | 01 Oct 2007 | 39.44 | 36.11 | 3.33 |

MONTHLY PERFORMANCE RETURNS

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------|---------|----------|---------|-------|--------|---------|----------|---------|----------|----------|---------|---------|
| Fund 2009 | (4.84)% | (10.40)% | 12.27% | 0.50% | 11.22% | (3.84)% | | | | | | |
| Fund 2008 | (4.76)% | 12.44% | (2.66)% | 4.81% | 4.44% | (4.08)% | (10.06)% | (0.52)% | (14.19)% | (11.93)% | 1.57% | 0.51% |
| Fund 2007 | 1.49% | 1.08% | 6.72% | 2.72% | 1.92% | (0.55)% | 1.21% | 0.80% | 5.37% | 4.54% | (2.91)% | (4.44)% |

FEES (excl. VAT)

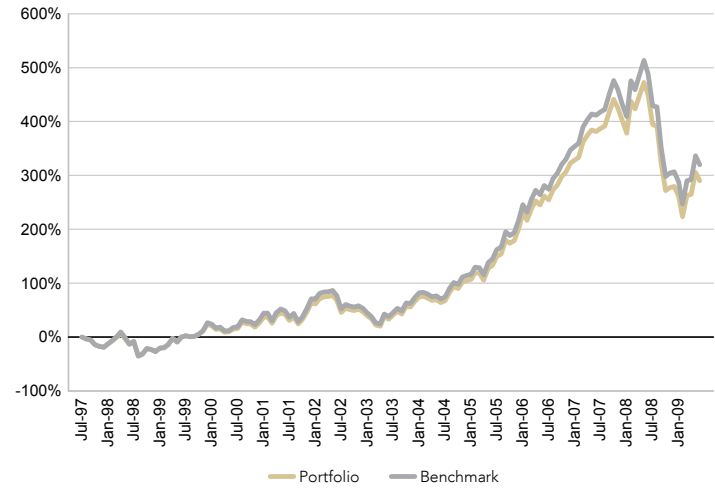
| | |
|--------------------------------|---------------|
| Initial Fee* | Kagiso: 0.00% |
| Annual Management Fee** | 0.50% |

* 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 0.70% per annum

PERFORMANCE AND RISK STATISTICS

CUMULATIVE PERFORMANCE SINCE INCEPTION



PERFORMANCE FOR VARIOUS PERIODS

| | Fund | Benchmark | Outperformance |
|--------------------------------|----------|-----------|----------------|
| Since Inception (unannualised) | 290.24% | 320.03% | (29.79)% |
| Since Inception (annualised) | 12.10% | 12.80% | (0.69)% |
| Latest 5 years (annualised) | 18.97% | 19.78% | (0.81)% |
| Latest 3 years (annualised) | 2.58% | 3.27% | (0.69)% |
| Latest 1 year (annualised) | (28.98)% | (28.64)% | (0.34)% |
| Year to date | 2.89% | 3.33% | (0.45)% |
| 2008 | (24.45)% | (23.58)% | (0.87)% |
| 2007 | 18.85% | 18.97% | (0.12)% |
| 2006 | 40.16% | 40.90% | (0.74)% |
| 2005 | 47.18% | 48.24% | (1.06)% |

RISK STATISTICS SINCE INCEPTION

| | Fund | Benchmark |
|----------------------|----------|-----------|
| Annualised Deviation | 22.54% | 23.65% |
| Sharpe Ratio | 0.03% | 0.05% |
| Maximum Gain | 36.54% | 37.42% |
| Maximum Drawdown | (43.55)% | (43.42)% |
| Positive Months | 58.74% | 59.44% |

Advice Costs (excluding VAT)

- Initial and ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor.
- Ongoing advice fees may be negotiated to a maximum of 0.25% per annum, 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.

Unit trusts should be considered a medium- to long-term investment. The value of units may go down as well as up. Past performance is not necessarily an indication of future performance. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Instructions must reach the Management Company before 2pm (12pm for the Money Market Fund) to ensure same day value. Fund valuations take place at approximately 15h00 each business day and forward pricing is used. The manager is a member of ASISA. Performance is quoted from Morningstar as at 30 June 2009 for a lump sum investment using Class A NAV prices with income distributions reinvested. Performance figures are quoted after the deduction of all costs incurred within the fund. ²The TER is calculated as a percentage of the average NAV of the portfolio incurred as charges, levies and fees in the management of the portfolio for a rolling 12-month period to end June 2009. A higher TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TER's. Coronation Management Company Ltd is a registered collective investment scheme management company, providing hosting and other administrative services for unit trust funds, including Kagiso Funds.