

PORTFOLIO MANAGER COMMENTARY

Despite a difficult start to the year, world markets ended the quarter in positive territory with the MSCI World index closing the quarter up 3.4% in dollar terms. Continued signs of a sustained global economic recovery and improving sentiment saw world markets rally strongly during the latter part of the quarter (The MSCI World index was up 6.2% in March).

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%).

Commodity prices in general had a good quarter with platinum (up 11.9%) and palladium (up 21.9%) having a strong quarter. Gold ended the quarter marginally higher while the spot price of Brent crude oil closed up 5.2%. Amongst base metals, lead (down 11.5%) and zinc (8.2%) were weaker. On the currency front, the Rand ended the quarter at 7.29 to the dollar, 1.5% stronger than its previous quarter's closing level.

In line with global markets, the local bourse had a strong first quarter with the FTSE/JSE All Share index returning 4.5% in local currency terms. The financial sector and cyclical sectors in general were the top performers over the quarter. The FTSE/JSE Financials index closed the quarter up 9.9%, outperforming both the Resources index (up 2.1%) and Industrial index (up 4.4%) sectors.

The fund continues to closely track its benchmark, the FTSE/JSE Top 40 index, which ended the quarter up 3.8%.

All index changes that occurred during the quarter were timeously acted upon so as to minimise the relative risk in the fund.

Portfolio manager

Aslam Dalvi

KAGISO TOP 40 TRACKER

CLASS A as at 31 March 2010

Fund category	Domestic - Equity - Large Cap
Fund description	Provides low-cost passive access to the JSE Limited and aim to replicate the movements of the FTSE/JSE Top 40 Index over time.
Launch date	01 August 1997
Portfolio manager/s	Aslam Dalvi

Fund size	R70.20 million
NAV	3495.51 cents
Benchmark	FTSE/JSE Top 40 Index

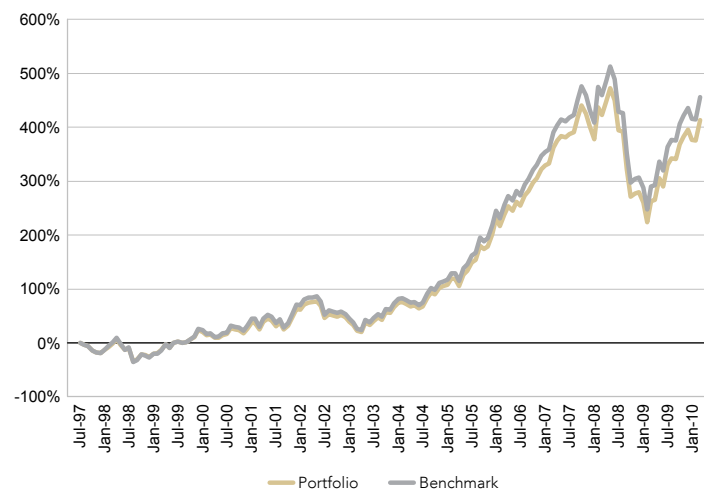
PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2010
Domestic Assets	100.00%
Equities	98.37%
Oil & Gas	5.50%
Basic Materials	43.18%
Industrials	3.26%
Consumer Goods	13.38%
Health Care	0.74%
Consumer Services	5.08%
Telecommunications	6.64%
Financials	17.64%
Derivatives	2.95%
Real Estate	1.65%
Cash	-0.02%

PERFORMANCE AND RISK STATISTIC

CUMULATIVE PERFORMANCE SINCE INCEPTION



TOP 10 HOLDINGS

As at 31 Mar 2010	% of Fund
BHP Billiton Plc	16.07%
Anglo American Plc	12.24%
SABMiller Plc	7.54%
MTN Group Ltd	5.93%
Sasol Limited	5.50%
Standard Bank of SA Ltd	5.08%
Compagnie Financiere Richemont SA	4.23%
Impala Platinum Holdings Ltd	3.86%
Naspers Ltd	3.65%
FirstRand	3.33%
Total	67.44%

PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	413.10%	455.90%	(42.80)%
Since Inception (annualised)	13.78%	14.50%	(0.72)%
Latest 5 years (annualised)	18.63%	19.45%	(0.82)%
Latest 3 years (annualised)	3.52%	4.26%	(0.74)%
Latest 1 year (annualised)	41.32%	42.59%	(1.26)%
Year to date	3.62%	3.82%	(0.20)%
2009	30.56%	31.73%	(1.17)%
2008	(24.45)%	(23.58)%	(0.87)%
2007	18.85%	18.97%	(0.12)%
2006	40.16%	40.90%	(0.74)%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2010	01 Apr 2010	16.69	13.83	2.86
30 Sep 2009	01 Oct 2009	27.12	22.60	4.52
31 Mar 2009	01 Apr 2009	100.12	90.63	9.49
30 Sep 2008	01 Oct 2008	63.34	49.45	13.89

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	22.20%	23.26%
Sharpe Ratio	0.11%	0.14%
Maximum Gain	36.54%	37.42%
Maximum Drawdown	(43.55)%	(43.42)%
Positive Months	59.21%	59.87%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2010	(3.83)%	(0.23)%	7.99%									
Fund 2009	(4.84)%	(10.40)%	12.27%	0.50%	11.22%	(3.84)%	10.21%	2.88%	(0.25)%	6.22%	2.99%	2.56%
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%

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.

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.

Total Expense Ratio (TER)² 0.66% per annum

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. ¹Performance is quoted from Morningstar as at 31 March 2010 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 December 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.