

PORTFOLIO MANAGER COMMENTARY

Increased concerns around European sovereign debt saw developed markets underperforming over the quarter with the MSCI World index ending the period down 12.5% (in dollar terms). US and UK markets ended the quarter lower with the Dow Jones Industrial index closing down 9.4% and the FTSE 100 closing down 13.8%. Emerging markets performed marginally better over the quarter with the MSCI Emerging Market index closing down 8.3%.

On the resources front, base metals and platinum group metals were generally weaker with zinc (down 26.7%), nickel (down 22.1%) and copper (down 17.0%) among the worst performers over the quarter. The gold price (up 11.6%) rallied strongly as investors adopted a more cautious stance in light of the prevailing debt concerns. The currency depreciated over the quarter with the rand 5.2% weaker than its previous quarters closing level of R7.25 to the dollar.

The local bourse followed international markets lower with the All-share index closing the quarter down 8.2%. Resources were the worst performing stocks over the quarter with the FTSE/JSE Resources index closing down 11.9%. Financials and industrials also ended the quarter down with the FTSE/JSE Industrial and FTSE/JSE Financial index closing down 4.5% and 7.8% respectively.

Over the quarter the Kagiso Top 40 Tracker Fund performed in line with its benchmark, the FTSE/JSE Top 40 index which declined by 9.4%.

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 30 June 2010

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	01 August 1997
Portfolio manager/s	Aslam Dalvi

Fund size	R60.10 million
NAV	3149.68 cents
Benchmark	FTSE/JSE Top 40 Index

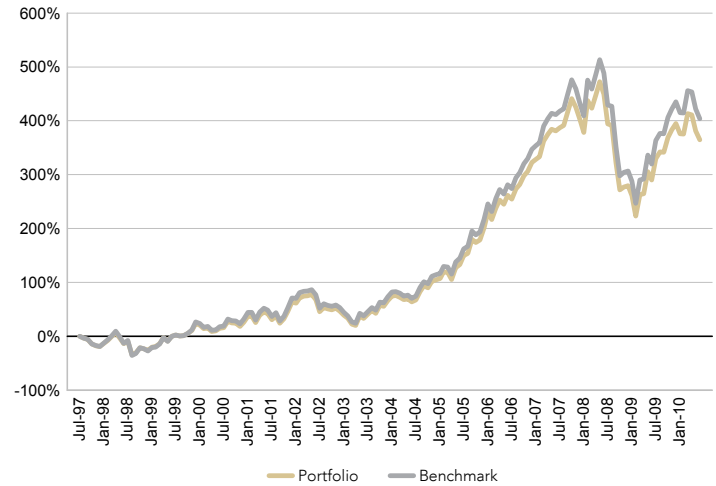
PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2010
Domestic Assets	100.00%
Equities	98.31%
Oil & Gas	5.47%
Basic Materials	41.42%
Industrials	2.74%
Consumer Goods	14.26%
Health Care	0.77%
Consumer Services	6.53%
Telecommunications	6.70%
Financials	16.93%
Derivatives	3.51%
Real Estate	1.44%
Cash	0.25%

PERFORMANCE AND RISK STATISTICS

CUMULATIVE PERFORMANCE SINCE INCEPTION



TOP 10 HOLDINGS

As at 30 Jun 2010	% of Fund
BHP Billiton Plc	14.02%
Anglo American Plc	11.30%
SABMiller Plc	8.28%
MTN Group Ltd	5.85%
Sasol Ltd	5.47%
Standard Bank of SA Ltd	5.09%
Compagnie Financiere Richemont SA	4.38%
Anglogold Limited	3.76%
Impala Platinum Holdings Ltd	3.55%
Naspers Ltd	3.28%
Total	64.99%

PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	364.57%	403.72%	(39.15)%
Since Inception (annualised)	12.63%	13.33%	(0.71)%
Latest 5 years (annualised)	14.78%	15.50%	(0.72)%
Latest 3 years (annualised)	(1.19)%	(0.51)%	(0.68)%
Latest 1 year (annualised)	19.05%	19.92%	(0.88)%
Year to date	(6.18)%	(5.93)%	(0.26)%
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	22.12%	23.16%
Sharpe Ratio	0.07%	0.09%
Maximum Gain	36.54%	37.42%
Maximum Drawdown	(43.55)%	(43.42)%
Positive Months	58.06%	58.71%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2010	(3.83)%	(0.23)%	7.99%	(0.45)%	(5.71)%	(3.54)%						
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 0.65% 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. *Performance is quoted from Morningstar as at 30 June 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. **The 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 March 2010. 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.