

PORTFOLIO MANAGER COMMENTARY

Equities in emerging markets continued to outperform during the fourth quarter with the MSCI Emerging Markets Index up 8.58% (YTD up 79%). The fund gained 87% for the full year, outperforming the index by 8%. Since inception the fund has outperformed the index on an annualised basis by 11.4%.

The first news of the quarter related to the global consolidation of the brewing sector (17.5% of the fund is invested in brewing/bottlers) when Mexican brewer Femsas announced that it was in talks with several parties regarding their beer business. The two main bidders were SABMiller and Heineken, with the latter emerging as the winner at the time of writing. The Mexican beer market is one of the largest beer markets in the world and is also one of the few markets not controlled by one of the major brewers. It is a duopoly between Femsas and Modelo (42% and 58% market share respectively) and this transaction will put pressure on Modelo, who are in arbitration proceedings to sever the link with their shareholder with the largest economic interest, ABI (Anheuser-Busch Inbev) but who do not control the board. We believe that Femsas's beer assets have been poorly managed and offer significant opportunity to the buyer. The fund holds both Femsas and Heineken, although we reduced the Femsas position over the past few months as the share moved closer to our fair value.

Remaining in Latin America we did not participate in Brazil's largest IPO offering for Banco Santander Brazil which raised US\$7 billion, as it was too expensive in our view with the market capitalisation of the Brazilian subsidiary representing 42% of the whole of the Santander Group. The offering renewed interest in Latin American banks and we sold out of holdings in both the Brazilian Bank Itau Unibanco and Bancolombia on valuation grounds. At the same time we invested in a regional state-owned bank in Brazil, Banrisul, as well another Brazilian financial services company, Cielo (formerly Visanet). Banrisul, based in the state of Rio Grande do Sul, reported encouraging third quarter results with a return on equity of 15.2%, declining default rates with a high coverage ratio. Although we would consider the bank to be of lower quality than the large privately owned banks, the valuation (less than 1.5x historic BV) more than compensates for this in our view. Cielo is the largest card provider in Brazil with a 47% market share in an underpenetrated market. This is a very good business which benefits from long-term increases in consumption spend but without taking credit risk. It is the largest card provider in Brazil (debit, credit and private label) and its 47% market share means that it generates income with every second card transaction in Brazil. The company faces pressure from imminent deregulation, but in our view this is more than priced in with the stock trading on 11x earnings.

We also added Lukoil, a vertically integrated Russian oil producer with a world class portfolio of upstream and downstream assets. Lukoil produces 2.3% of the world's annual output, or 2 million barrels per day. All the upstream assets are in Russia with 62% in Western Siberia and 15% in Timan-Pechora. It has a 20% market share in the domestic refining market and also has a strategic partnership agreement with Conoco Phillips, which holds a 20% stake in the company. Lukoil is trading on a mid single digit P/E ratio which we believe is very attractive for the assets it holds, even considering the country risk that inevitably comes with Russian assets.

After moving sideways for the past year, SK Telecom was reintroduced to the portfolio. SK Telecom was Korea's first mobile phone operator, starting operations in 1996. It benefits from its first mover advantage and is still the dominant player with 50.5% market share in a country with a 95% penetration rate. Whilst the market is saturated, we believe that prospects for data usage (and resultant ARPU uplift) are significant, and the Koreans are amongst the most developed in terms of internet usage. The company recently disposed of its stake in the Chinese mobile phone company, China Unicom and acquired a 49% stake in Hana credit card as it looks to expand its wireless payment business. The company is trading on a 13% free cash flow yield and a dividend yield of 5.4%.

Continuing in the mobile telecommunications area the proposed merger of India's Bharti Airtel and MTN, Africa's largest mobile company, was called off for the second time in two years citing regulatory hurdles. We were opposed to the deal on three criteria: 1) Valuation: MTN is worth substantially more than was offered, 2) the messy cross-holding structure and 3) uncertainty surrounding the foreign share allowance for South African based shareholders.

We sold our position in Thailand's CP All due to valuation. The company has the master franchise for 7-Eleven convenience stores. The business has a phenomenal network with more than 5 000 stores - five times more than its nearest competitor and it is adding an additional 450 stores per annum. It is just that the valuation is no longer attractive. At the same time, we introduced a holding in the supermarket group Big C, who operate 67 stores in Thailand. Typically they would operate a small mall and sublet to complementary service providers, making it a destination shopping experience e.g. a bank, restaurant and a fashion boutique. The company has a strong balance sheet and is trading on just 7x free cash flow. We also continued to add to the fund's holding in Egyptian Tobacco, a state-controlled monopoly. It has the only authorised manufacturing facility for cigarettes in the country, with all the foreign brands being manufactured under licence. It is trading on a single-digit multiple which is usually associated with companies' ex-growth but the company is expanding and investing in a new manufacturing facility and additionally, the demographics in Egypt are favourable: the country has a young growing population with less cultural disdain towards smoking.

We reduced positions in Telkom Indonesia, Chinese supermarket group Lianhua and Russian food retailer Magnit and sold out of computer manufacturer Acer. The strong performance of most emerging market stocks means we have to monitor and continually assess valuations diligently to ensure that we reduce/sell out of positions where the upside to fair value is small. We are continually looking for new ideas: members of the team visited Thailand and attended an Asian conference during the quarter and as this is written a team is on route to Beijing, Shanghai and Hong Kong.

Portfolio managers

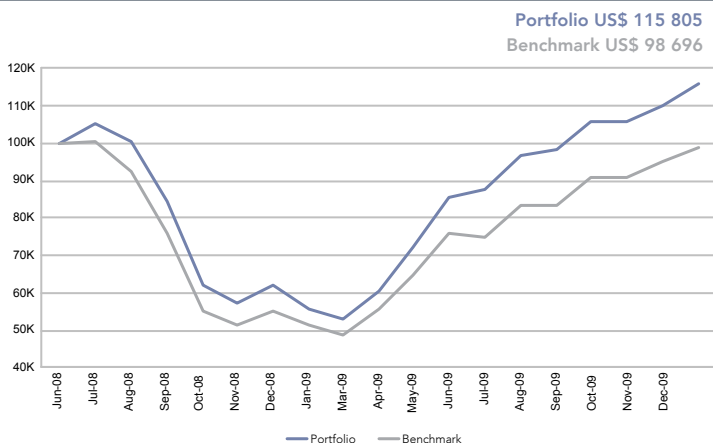
Gavin Joubert, Mark Butler and Suhail Suleman

Currency	USD
Minimum Investment	US\$15 000.00
Launch date	14 July 2008
Portfolio manager/s	Gavin Joubert, Mark Butler and Suhail Suleman
Annual management fee	1.1%
Annual outperformance	20% of returns above MSCI Emerging Markets Index with 2% cap
Fund domicile	Dublin, Ireland
Listing	Irish Stock Exchange

Fund size	US\$202.84 million
Benchmark	MSCI Emerging Markets Index
Liquidity	Daily
Notice period	1 business day preceding dealing day
Redemption payout	2 business days after dealing day
Bloomberg	CORGEMA ID
ISIN	IE00B2RGGZ18
SEDOL	B2RGGZ1

PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A US\$100,000 INVESTMENT



PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Country	31 Dec 2009
Equities	99.87%
China	18.39%
Brazil	12.89%
South Africa	12.68%
Mexico	11.04%
Russia	7.44%
Turkey	5.52%
Israel	4.81%
Chile	3.31%
Thailand	2.57%
Malaysia	2.17%
Other	19.03%
Cash	0.13%
ZAR	0.17%
Other	0.09%
USD	(0.13)%

PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	15.81%	(1.30)%	17.11%
Since Inception (annualised)	10.53%	(0.89)%	11.42%
Latest 1 year (annualised)	87.08%	79.02%	8.06%
Year to date	87.08%	79.02%	8.06%
2008	(38.10)%	(44.87)%	6.77%

TOP 10 HOLDINGS

As at 31 Dec 2009	% of Fund
MTN Group Ltd (South Africa)	5.88%
OAO Gazprom Reg (Russia)	5.12%
China Dongxiang Group Co (China)	4.77%
Naspers Ltd (South Africa)	4.64%
China Mobile Ltd (China)	3.77%
Sohu.com Inc (China)	3.58%
Teva Pharmaceutical Industries Ltd (Israel)	3.12%
Coca - Cola Femsa (Mexico)	3.01%
America Movil (Mexico)	2.92%
Turkiye Garanti Bankasi (Turkey)	2.68%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Return	10.53%	(0.89)%
Annualised Deviation	40.52%	40.52%
Sharpe Ratio	0.00	(0.27)
Maximum Gain	99.43%	56.31%
Maximum Drawdown	(49.52)%	(51.41)%
Positive Months	61.11%	55.56%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2009	(9.9)%	(4.8)%	13.7%	19.2%	18.9%	2.5%	10.1%	2.0%	7.5%	(0.1)%	4.0%	5.3%	87.1%
Fund 2008							5.2%	(4.8)%	(15.7)%	(26.4)%	(7.9)%	8.0%	(38.1)%

INVESTMENT PHILOSOPHY

- We strive to buy shares that are trading well below what we believe the business is worth (valuation-driven approach).
- In valuing a business we focus on normalised earnings/free cash flow as opposed to current earnings.
- A long-term time horizon (5 year +) is used.

INVESTMENT OBJECTIVE

The fund has an objective of outperforming the MSCI Emerging Markets Index over a 3 – 5 year period through investing in what we believe to be the most undervalued shares within the global emerging markets universe. The fund will typically be fully invested in equities at all times (90% + equity exposure).

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