CORONATION WORLD EQUITY [ZAR] FUND OF FUNDS

CLASS A as at 31 December 2009

CORONATION FUND MANAGERS

PORTFOLIO MANAGER COMMENTARY

The fund returned 3.0% (in US dollar terms) for the quarter, against 4.2% from the benchmark MSCI World Index. Over the rolling 12-month period, the fund's return of 33.2 % is ahead of the benchmarks 30.8%.

2009 closed on a strong note, providing a satisfactory return for the year compared to its first two months in which global equity markets fell by almost 20%. Global equity markets rose over the quarter, while corporate bond spreads tightened further. Despite a meaningful recovery of the US dollar against all other currencies, both soft and hard commodities continued to rally. Mining and commodity stocks had a strong quarter as did IT and healthcare stocks. Financials fell hard after renewed regulatory concerns, the Greek Sovereign Debt downgrade as well as huge capital issuances from Bank of America, Wells Fargo and Citigroup to facilitate their exit from the Troubled Assets Relief Programme (TARP). US economic data continued to improve and the recovery appears to be on track, so much so, that the Fed is already looking to reduce its stimulus efforts. A change in Government in Japan followed by an announcement that deflation is no longer acceptable may bode well for the future but in the interim, Japan continues to struggle. Problems in various pockets of Europe caused some stress in the markets but, as in the US, the recovery appears to be taking hold.

In terms of regional equity performance, North America was the best performing region, appreciating 5.96% (in US dollars) over the quarter. However, US dollar strength diluted otherwise strong returns from other regions. Asia continued to power ahead by 5.2% over the quarter, with Europe some way behind with a 3.3% appreciation, following sovereign credit downgrades in Greece and Ireland. In US dollars, Japan was by far the worst performing market, falling 2.76% over the quarter due to both poor returns from the equity market and a weakening yen. The fund's regional underweight to North America detracted from overall performance for the quarter although this was somewhat negated by the overweight to Asia.

Manager performance was a net detractor from performance this quarter, especially in Japan and North America.

Morant Wright and IFDC both returned worse than already poor Japan market returns. Over recent years we have been in line to overweight Japan given the attractive valuations in the market. However, returns have somewhat tested our resolve and during the quarter we decided on a new strategy for Japan. Hence, we redeemed IFDC Japan and took Morant Wright Japan to a higher weighting, thereby getting our core Japan exposure through one fund. To bring us in line with the index weighting we will rely on our Global managers who can invest on both an opportunistic and long term basis in the country as and when required.

Although annual returns were good, none of our US managers managed to outperform the S&P 500 this quarter. 2009 proved to be a return to form for both Legg Mason and UOB Kinetics, returning 39.6% and 40.3% respectively by keeping faith with many core positions and adding new ones in the depths of the market downturn. We expect them to continue their recoveries.

Ruffer European had a good quarter, finishing ahead of the MSCI European Index. Despite a gradual increase in equity exposure, the manager remains cautious and is very selectively adding quality large cap stocks and riskier, but attractive small cap stocks which have traditionally been the fund's main alpha generators.

During December, we also added a new fund, the Legg Mason US Smaller Companies fund, run by Whitney George of Royce & Associates. As the name suggests, this fund invests in US small cap companies, a company specialisation since it was founded by Charles Royce in 1972. Royce follows a disciplined value approach and have established themselves as a premier small cap manager.

Outlook

In developed markets, leading indicators such as industrial production and consumer credit statistics appear to have bottomed. Earnings have surpassed depressed expectations and easy year-on-year comparisons abound for companies and economies. However, many management teams in the real world have no visibility and remain sceptical of a coming economic rebound, especially a strong one. The sustainability and strength of the recovery will no doubt be resolved in 2010, but we are confident that the easy money across the equity markets was made in 2009 by those investors adopting a momentum, or non-differentiating, buying approach. By comparison, investors that do the hard work in analysing the constituent sectors of the markets and stocks will continue to be rewarded as they find fundamentally undervalued stocks.

Turning to the overall level of markets, even after the recent sharp recovery in equity markets, returns over the past ten years have still been unusually poor, in fact negative in most markets. Certainly taking long-term 100-year history as a guide, this fact would lead one to expect above average returns over the next ten years. There are many uncertainties and risks facing the financial system as we move into 2010. These risks will multiply as long as politicians remain obsessed with being re-elected rather than taking the often painful decisions that are needed were a longer term perspective to be taken. All indications are that we are now moving into yet another bubble era, fuelled by easy money and effectively free money. It is however also true to say that this new bubble era will inflate more slowly than previous ones, due to the realisation that rules governing the banking sector need to be tightened, thereby averting another credit fuelled bubble for many years to come.

Investors are therefore faced with a conundrum. That is, if they subscribe to a very bearish medium term outlook, they must therefore also subscribe to the view that interest rates will remain at (probably) negative real rates for the next few years. How therefore does an investor preserve wealth in real terms? Under this scenario it would seem that a portfolio of intrinsically undervalued global equities will prove to be the only sensible investment which will produce attractive income and capital returns to long-term investors.

Portfolio manager
Tony Gibson

CORONATION WORLD EQUITY [ZAR] FUND OF FUNDS

CLASS A as at 31 December 2009

CORONATION FUND MANAGERS

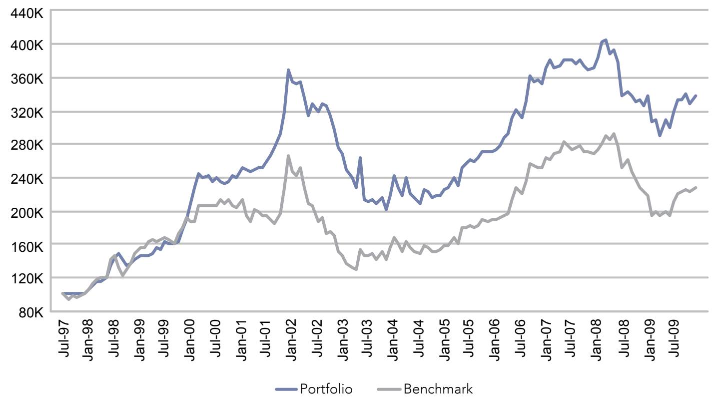
Fund category	Foreign - Equity - General
Fund description	Aims to achieve long-term capital growth that exceeds the MSCI World Index in dollar terms while ensuring lower volatility of returns, particularly on the downside, than conventional index-linked equity portfolios.
Launch date	01 August 1997
Portfolio manager/s	Tony Gibson
Fund size	R793.47 million
NAV	3146.52 cents
Benchmark	MSCI World Index (Rands)
Risk profile	Cons / Mod / Aggr (Aggr)

PERFORMANCE AND RISK STATISTICS[1]

GROWTH OF A R100,000 INVESTMENT

Portfolio R338 117

Benchmark R227 684



PERFORMANCE FOR VARIOUS PERIODS - ZAR RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	238.1%	127.7%	110.4%
Since Inception (annualised)	10.3%	6.9%	3.5%
Latest 5 years (annualised)	9.2%	8.3%	0.9%
Latest 3 years (annualised)	(1.4)%	(3.2)%	1.8%
Latest 1 year (annualised)	3.5%	1.6%	1.9%
Year to date	3.5%	1.6%	1.9%
2008	(12.0)%	(16.6)%	4.5%
2007	5.3%	7.0%	(1.7)%
2006	30.5%	33.2%	(2.7)%
2005	23.9%	23.4%	0.6%

PERFORMANCE FOR VARIOUS PERIODS - USD RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	110.5%	41.7%	68.7%
Since Inception (annualised)	6.2%	2.8%	3.3%
Latest 5 years (annualised)	3.4%	2.6%	0.8%
Latest 3 years (annualised)	(3.3)%	(5.1)%	1.8%
Latest 1 year (annualised)	33.2%	30.8%	2.4%
Year to date	33.2%	30.8%	2.4%
2008	(37.1)%	(40.3)%	3.2%
2007	7.8%	9.6%	(1.7)%
2006	18.2%	20.7%	(2.4)%
2005	10.5%	10.0%	0.5%

PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 Dec 2009
Equities	**89.4%**
Europe (3 Funds)	22.9%
Global (2 Funds)	22.4%
North America (3 Funds)	21.0%
Asia (3 Funds)	15.2%
Japan (1 Fund)	8.0%
Cash	**3.5%**
Foreign	3.7%
Domestic	(0.2)%
Others	**7.1%**
North America (1 Fund)	7.1%

TOP 5 HOLDINGS

As at 31 Dec 2009

- Cantillon GV Fund E-Series E1
- Legg Mason US Equity Fund B
- Edinburgh Partners European Opportunity Fund
- Edinburgh Partners Global Opportunity Fund
- CF Morant Wright Japan Fund

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	16.9%	18.8%
Sharpe Ratio	(0.06)	(0.24)
Maximum Gain	51.7%	51.3%
Maximum Drawdown	(45.3)%	(51.4)%
Positive Months	60.4%	53.0%

MONTHLY PERFORMANCE - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2009	3.4%	(9.4)%	0.8%	(6.0)%	6.9%	(3.3)%	6.7%	3.9%	0.4%	2.0%	(3.4)%	3.0%	3.5%
Fund 2008	3.2%	4.7%	0.8%	(4.2)%	1.3%	(3.7)%	(10.5)%	1.3%	(1.4)%	(2.0)%	0.4%	(1.9)%	(12.0)%
Fund 2007	5.3%	2.9%	(2.6)%	0.7%	1.7%	(0.2)%	0.2%	(1.6)%	1.4%	(2.0)%	(1.0)%	0.6%	5.3%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum: 1.40% Maximum: 3.50% Sharing Rate: 10.00%

* A portion of Coronation'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.
- 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.

Total Expense Ratio (TER)[2]	1.97% per annum

When applicable, Coronation shares in the fund performance above the benchmark. This performance fee is accrued daily, based on performance over a rolling 12-month period, and paid to Coronation monthly. If the fund produces a return in line with or below the benchmark for the relevant 12-month period, the minimum fee of 1.40% applies. For further information regarding our fee structure please contact us or visit our website.

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. Coronation is a Full member of the Association for Savings & Investment SA (ASISA). [1]Performance is quoted from Morningstar as at 31 December 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. [2]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 September 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.

Client Service 0800 22 11 77 **Fax:** (021) 680 2500 **Email** clientservice@coronation.co.za **Website** www.coronation.com