

PORTFOLIO MANAGER COMMENTARY

The fund has had a good start to 2009 in both absolute and relative terms. In the 6 months to end June, the fund appreciated by 41.7% against the backdrop of a 36.2% increase in the MSCI Emerging Markets Index, resulting in 5.5% outperformance of the index. Since the fund launched a year ago, it has outperformed the index by 12.6%.

Whilst there has been a significant upward move in global emerging markets over the past several months, we remain excited about the long-term prospects for emerging markets and the returns that are available from careful investment in these markets.

The sharp rally in emerging markets over the past several months has been led by the more cyclical, lower quality stocks (commodities and financials), with the higher quality stocks (mobile telecommunications, media, beverages, food retailers and education companies) typically lagging. The fund is invested mainly in the latter area meaning that we still see significant upside to most of the fund's holdings. As a reference point, the one-year forward P/E of the portfolio, weighted by position size, is currently around 12, which we believe is very attractive given the quality of the businesses that the fund owns and given what we believe these businesses will be able to grow their earnings at over the next five years.

The largest position by industry is still in the GEM mobile telecommunications companies (25% of fund). We are invested in several mobile operators and find the low penetration rates in emerging markets combined with P/E multiples around 10 very attractive. Over recent months we have been adding to the fund's position in China Mobile. The market appears fixated on imminent competition to China Mobile and uncertainty over regulatory intervention – as a result the share price has moved sideways for several months. In our view, this uncertainty provides an opportunity for investors like ourselves who have a time horizon measured in years and not months. Firstly, we believe the overall pie will grow (China has less than 50% mobile penetration). Secondly, we believe it will be difficult to dislodge China Mobile from the number one position (network, coverage, brand and experience). Thirdly, we can perform sensitivity analysis on a range of regulatory outcomes and lastly, in our view, the current valuation (11 P/E with 15% of current market capitalisation in cash) compensates one for the regulatory uncertainty and risk. One doesn't get the opportunity to buy high quality assets such as China Mobile on attractive valuations when the newsflow is positive.

The other area that we find particularly attractive is beverages (both beer and Coca-Cola bottlers which make up around 20% of the fund). The fund owns both pure GEM beer/Coke companies (like Femsa in Mexico and Anadolu Efes in Turkey) but also owns stakes in many of the global beer companies, who have operations in both emerging markets and the first world. The three that we particularly like are Carlsberg, Heineken Holdings and Anheuser-Busch Inbev - all have large emerging market businesses and are trading on P/E or Free Cash Flow multiples in the 10 to 12 range one year out. Carlsberg may be headquartered in Denmark, Heineken in the Netherlands and AB Inbev in Belgium, but all three generate a large portion of their profits from emerging markets, ranging from 45% to 65% of earnings. We are interested in accessing all the good things that happen in emerging markets over time (like rising disposable income and increased beer consumption in this case) and are less concerned about where a particular company may be headquartered.

Over the past few months we have continued to add to the fund's holding in Gazprom, a Russian gas company and owner of the largest gas reserves in the world; a large part of which is supplied to Western Europe. Gazprom is, in our view, one of the cheapest stocks in the world and worth at least double the current share price. With a long-term oil price of \$70 Gazprom is currently trading on a P/E of 4. Russia undoubtedly has risks, but we find this valuation level incredibly attractive. In Russia we also like the supermarket food retailers, Magnit and X5 Retail. Magnit in particular is very interesting – the company focuses on small, rural towns in Russia (where the only existing supermarket is a drab soviet-style shop) and has grown their store base from 600 to almost 3 000 over the past five years. Needless to say, once Magnit enter a new town, with their new bright supermarkets and attractive pricing due to economies of scale, the days of the soviet-style store in that town are numbered.

We also continue to find good value in Brazil, of which Anhanguera is but one example. Anhanguera is a Brazilian private education company which is rapidly consolidating what is a fragmented industry. Like many other emerging markets, the Brazilians regard high quality education as a priority and as a result the industry is growing at a rapid rate. We believe that Anhanguera, through both organic and acquisitive growth, can maintain 25%+ growth rates for some years to come.

Whilst the re-rating of emerging markets has been sharp we remain very excited about the fund's holdings, as we have hopefully illustrated through using a handful of examples. Emerging Markets, in our view, are not a one year story but a five to 10-year story and the journey is still in its infancy.

Portfolio managers

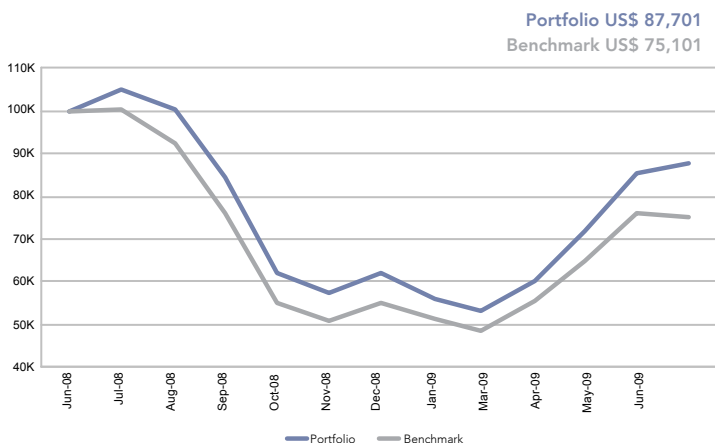
Gavin Joubert and Mark Butler

Currency	USD
Minimum Investment	US\$15,000.00
Launch date	14 July 2008
Portfolio manager/s	Gavin Joubert and Mark Butler
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\$157.02 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



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	(12.30)%	(24.90)%	12.60%
Since Inception (annualised)	(12.30)%	(24.90)%	12.60%
Year to date	41.68%	36.22%	5.46%
2008	(38.10)%	(44.87)%	6.77%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Average Return	(1.84)%	(16.13)%
Annualised Deviation	48.53%	47.44%
Sharpe Ratio	(0.49)	(0.77)
Maximum Gain	65.15%	56.31%
Maximum Drawdown	(49.52)%	(51.41)%
Positive Months	50.00%	41.67%

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%							41.7%
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.

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Country	30 Jun 2009
Equities	99.99%
China	18.48%
South Africa	14.98%
Mexico	12.61%
Russia	10.64%
Brazil	9.41%
Denmark	4.89%
United Kingdom	3.83%
Greece	3.55%
Turkey	3.19%
Malaysia	2.38%
Other	16.04%
Cash	0.01%
Other	1.01%
ZAR	(1.00)%

TOP 10 HOLDINGS

As at 30 Jun 2009	% of Fund
MTN Group Ltd (South Africa)	7.07%
Naspers Ltd (South Africa)	6.92%
America Movil (Mexico)	6.03%
Carlsberg ASB (Denmark)	4.89%
OAO Gazprom Reg (Russia)	4.20%
China Mobile Ltd (China)	3.98%
Coca-Cola Hellenic Bottling Co (Greece)	3.55%
China Dongxiang Group Co (China)	3.00%
Formento Economico Mexicano (Mexico)	2.75%
Coca - Cola Femsa (Mexico)	2.73%

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 index. The fund will typically be fully invested in equities at all times (95% + equity exposure).

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