

PORTFOLIO MANAGER COMMENTARY

In dollar terms, for the rolling 12 months the fund has returned -19.6%, which is ahead of the MSCI World Index at -29.0%.

Equity markets rallied strongly in the second quarter as the credit crisis abated and investor confidence increased. The US Banking system stress test appeared to draw a line in the sand with regards to the major banking groups and investors reacted positively to those results. This was further emphasised by the declining TED spread (LIBOR less T-Bill) which dipped below 0.5% after peaking at over 3.0% at the height of the crisis. A final positive point was a repayment of some TARP (Troubled Asset Relief Programme) money by ten of the larger US financial institutions including Goldman Sachs, JPMorgan Chase and American Express. While global economic numbers barely showed a significant improvement, the moderation in the rate of economic decline was sufficient to convince market participants that the worst of the crisis had passed which led to an increase in most asset classes. These positive points were enough to offset plenty of bad news which would have, only months earlier, fuelled market panic. Examples of this include the Chapter 11 filings by Chrysler and GM, the situations in Iran and North Korea and the down grading of various sovereign debts.

In terms of regional performance, Asia ex-Japan was the best performing region, appreciating 32.0% (in US dollars) over the quarter led by Singapore and Hong Kong. Europe rose 25.9% (in US dollars) with big gains in Spain, Greece, Italy and Sweden. Japan was close behind Europe at +23.0%, while North America was a distant +17.1%. The fund was underweight North America and overweight Asia during the quarter and, consequently, the regional allocation was a significant contributor to relative outperformance over this period.

As reported in April, the fund had a large cash exposure on a look through basis at the end of March. This dropped substantially to 13% by the end of April as managers reinvested the cash in surging markets. It remained at this level for most of the quarter and is higher than we would have liked given the rally we experienced. The cash exposure, an obvious drag on performance this quarter, is primarily due to our investments in Ruffer European and Prusik Asia as their managers still have a cautious outlook for markets and are managing their exposure accordingly.

As can be derived from above, Ruffer European and Prusik Asia were the core reason for the relative underperformance this quarter. Tim Youngman of Ruffer had an excellent 2008 through the use of a put option and low exposure. He has maintained this conservative stance throughout the second quarter in the expectation that the initial rally would be short lived. As a house, Ruffer remains bearish and certainly do not have any enthusiasm for the 'V-shaped' recovery being touted by some. They are also concerned about inflation and have exposure to gold in all their portfolios. Generally, equity exposure is to companies with strong balance sheets, high cash flows and high dividend yields but Tim does have a bias towards small and mid cap stocks, a particular strength of his.

Prusik Asia is not positioned as defensively as Ruffer and the manager has steadily invested the cash over the quarter, bringing it down to around 15% of the fund. The fund lagged the Asian markets throughout the quarter. In April, the high cash balance caused a drag and in June, performance was hurt by the sharp decline in Taiwan.

The stand out performance was from UOB Kinetics Paradigm, which is enjoying an excellent year after a poor 2008. Paradigm has for some time had sizeable exposure to three main themes - the Canadian Oil Sands, Global Stock Exchanges and Emerging China. They see these as highly cash generative businesses/investments over the medium to long term. These themes performed well in 2007, but were big losers in 2008. Despite the assault on the stock prices, the managers held onto their positions as they saw no change in the long-term operating environments or viability in the individual businesses and have been rewarded with an excellent 20% outperformance of the S&P 500 over the quarter and limited the impact of Ruffer and Prusik.

Besides the three funds mentioned, only Cantillon Global Value had a material, but much smaller, negative impact on performance. We added Cantillon to the portfolio in March as we expected their style of investing to benefit in the prevailing market conditions in February. The lengthy rally has meant that they have largely underperformed, but we remain confident that they will prevail over time.

Outlook

The world is undoubtedly looking better than it did 12 months ago, but we should not underestimate the effect of the ongoing structural reform and deleveraging. Such a process will dampen growth for the foreseeable future and create further uncertainty and apprehension. The global economy and policy makers are still facing considerable challenges which are not diminished by the return of some optimism in recent months. We expect prolonged economic weakness, and it is therefore difficult to predict what effect the delay in anticipated recovery will have on market sentiment. The key issue for equity markets in the coming months is whether we will witness, and sustain, a decoupling between real economic progress and market sentiment. The gap between those believing in a prolonged downturn and those convinced that economic recovery is near, is likely to manifest itself in market volatility over the coming months. We remain of the view that any further downward pressure on equity prices over this period continues to offer an entry point to well selected equities around the world which will prove very rewarding on a five to 10 year time horizon.

Portfolio manager

Tony Gibson

CORONATION WORLD EQUITY [ZAR] FUND OF FUNDS

CLASS A as at 30 June 2009

CORONATION
FUND MANAGERS

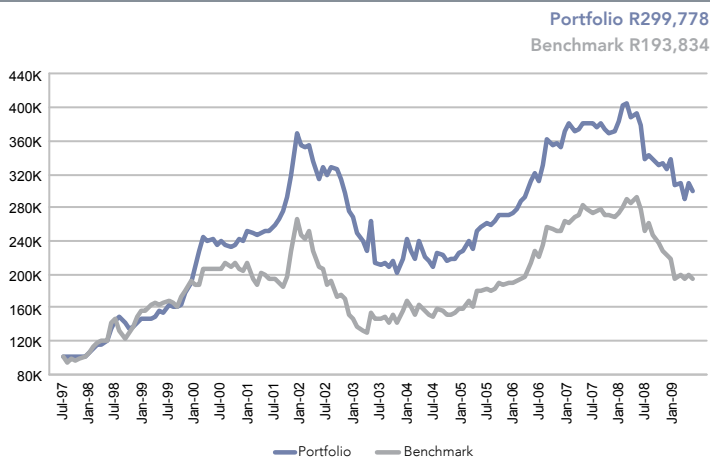
Fund category Foreign - Equity - General
Fund description Aims to achieve long-term capital growth that exceeds the MSCI World Index in dollar terms while ensuring lower volatility of returns, particularly on the downside, than conventional index-linked equity portfolios.
Launch date 01 August 1997
Portfolio manager/s Tony Gibson

Fund size R704.15 million
NAV 2789.73 cents
Benchmark MSCI World Index (Rands)
Risk profile

Cons Mod Aggr

PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	30 Jun 2009
Equities	94.9%
Europe (3 Funds)	26.9%
Global (2 Funds)	20.7%
North America (3 Funds)	17.9%
Asia (2 Funds)	15.2%
Japan (3 Funds)	14.1%
Cash	5.1%
Foreign	5.2%
Domestic	(0.1)%

PERFORMANCE FOR VARIOUS PERIODS - ZAR RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	199.8%	93.8%	105.9%
Since Inception (annualised)	9.7%	5.7%	3.9%
Latest 5 years (annualised)	6.9%	5.0%	1.8%
Latest 3 years (annualised)	(2.2)%	(5.1)%	2.9%
Latest 1 year (annualised)	(20.8)%	(30.0)%	9.2%
Year to date	(8.3)%	(13.5)%	5.2%
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%

TOP 5 HOLDINGS

As at 30 Jun 2009

Edinburgh Partners Global Opportunity Fund
CF Ruffer European
UOB Kinetics Paradigm Fund
Edinburgh Partners European Opportunity Fund
Wyper Core Fund

PERFORMANCE FOR VARIOUS PERIODS - USD RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	79.0%	15.7%	63.3%
Since Inception (annualised)	5.0%	1.2%	3.8%
Latest 5 years (annualised)	2.3%	0.6%	1.8%
Latest 3 years (annualised)	(4.6)%	(7.5)%	2.8%
Latest 1 year (annualised)	(19.6)%	(29.0)%	9.4%
Year to date	13.3%	6.8%	6.5%
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%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	17.1%	18.9%
Sharpe Ratio	(0.11)	(0.31)
Maximum Gain	51.7%	51.3%
Maximum Drawdown	(45.3)%	(51.4)%
Positive Months	59.4%	51.7%

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)%							(8.3)%
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*	1.50%

* 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 2.43% per annum

Please note that this fund was renamed from *Coronation International Active Fund of Funds* to the above, effective 1 February 2009.

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). ¹Performance is quoted from Morningstar as at 30 June 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. 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 March 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.