

PORTFOLIO MANAGER COMMENTARY

The fund returned -6.0% (in US dollar terms) for the quarter, against -11.78% from the benchmark MSCI World Index. For a rolling 12-month period, the fund's return of -35.6% is ahead of the benchmark's -42.2%.

The year began in the same manner we saw 2008 come to an end as we witnessed significant declines in global equity indices. Any hope of a recovery in 2009 was quickly dashed as economic data deteriorated and negative newsflow dominated the financial press. The wave of goodwill that surrounded the inauguration of US President Barack Obama in January was overshadowed by drastic rate cuts by the Fed, Bank of England and European Central Bank as well as worsening employment, trade and GDP numbers from the dominant G20 countries. During February, the markets were further unsettled by additional "rescues" of AIG and Citigroup and concerns surrounding GE Capital, the financial service subsidiary of General Electric. Elsewhere, Japanese exports collapsed by 46% and the German IFO survey fell to a 26-year low. However, an optimistic Citigroup internal memo triggered a strong rebound in the markets during March, which gathered strength on a more detailed US rescue package.

In terms of regional performance, Japan was the worst performing country, declining 16.6% (in US dollars) over the quarter. This was a combination of the weak market and then yen, which weakened by almost 10% against the dollar over the quarter. Western Europe declined by 14.5% (in US dollars) after big falls in Germany and France. Asia (ex-Japan) was relatively strong, falling only 2.2% over the quarter. The fund is underweight North America and Europe and overweight Asia and Japan. Consequently, the regional allocation contributed to roughly a quarter of the fund's outperformance over the quarter.

On a look-through basis, the fund has a significant cash balance of more than 20%, which indicates the general negative outlook held by most of the underlying managers. As such, the managers contributed to the majority of the performance this quarter.

Our most defensively positioned fund, Ruffer European was a key contributor to performance. Timothy Youngman, the manager, specialises in small to mid-cap stocks but over the past few months has increased his exposure to larger companies and cash. He also carries some downside protection in the form of put options and recently added a gold ETF to protect against future inflation, which he and his colleagues are confident will come through towards the end of the year.

After a long period of poor relative performance, UOB Kinetics Paradigm fund turned the corner this quarter, finishing up a decent 2% ahead of the index. The fund suffered during 2008 as oil prices and financial stocks plummeted. In the face of this onslaught, the portfolio managers have remained resolute about the quality of the investments and confident that they will at some point be rewarded for holding them. Having visited them in March, we still consider them to be a core part of the portfolio.

The four Asia and Japan funds finished ahead of their respective indices but both Edinburgh Partners funds were behind for the quarter. Wyper Core fund delivered a disappointing -1.2% in March. The fund has carried a high cash weighting for some time but the negative performance was mainly due to Munich Re, the insurance company, which missed its earnings estimates and was significantly sold down.

During the quarter, we fully redeemed from Neptune Russia and made a small redemption from the Wyper Core Fund. In April we will be taking a new position in Legg Mason Value Fund and reinvested in Cantillon Global Value. Legg Mason US Equity Fund is managed by the legendary Bill Miller who, despite years of superior performance, has suffered a run of poor performance. We believe that he remains a good manager and is more motivated than ever to prove this. More importantly, we think that his style of investing in high quality companies will dominate returns over the next few years. The same can be said for Cantillon where the focus is on finding companies with a high return on equity on a low PE multiple.

Outlook

We believe that we are presently witnessing an excellent investment opportunity. That is not to say that global equity markets might not fall even lower over the next six months. After all, there is no doubt that the global economies are in a very dire situation. It would seem logical to assume that a number of years of muted growth are a necessary remedy in order to rebuild savings and for financial prudence to reassert itself into the Western capitalist culture. That said, we do not believe that the Western economies are entering a multi-year period of deflation or depression. We do not presume to offer an opinion as to when volatility will reduce and equity markets form a sustainable low point base. However, it does seem that there are some early signs of this happening.

CORONATION WORLD EQUITY [ZAR] FUND OF FUNDS

CLASS A as at 31 March 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 R710.09 million
NAV 2871.43 cents
Benchmark MSCI World Index (Rands)
Risk profile Cons Mod Aggr

PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 Mar 2009
Equities	88.20%
Europe (2 Funds)	24.71%
Global (2 Funds)	21.18%
Asia (2 Funds)	15.77%
Japan (3 Funds)	14.80%
North America (2 Funds)	11.74%
Cash	11.80%
Foreign	11.80%
Domestic	0.00%

TOP 5 HOLDINGS

As at 31 Mar 2009

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

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	17.05%	19.09%
Sharpe Ratio	(0.08)	(0.29)
Maximum Gain	51.69%	51.31%
Maximum Drawdown	(45.34)%	(51.40)%
Positive Months	60.00%	52.14%

MONTHLY PERFORMANCE - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2009	3.43%	(9.42)%	0.79%									
Fund 2008	3.21%	4.74%	0.78%	(4.20)%	1.34%	(3.70)%	(10.46)%	1.29%	(1.37)%	(1.97)%	0.41%	(1.93)%
Fund 2007	5.31%	2.89%	(2.57)%	0.65%	1.67%	(0.15)%	0.18%	(1.60)%	1.42%	(1.95)%	(1.03)%	0.64%

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.

Total Expense Ratio (TER)² 2.73% per annum

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

PERFORMANCE AND RISK STATISTICS ¹

CUMULATIVE PERFORMANCE SINCE INCEPTION



PERFORMANCE FOR VARIOUS PERIODS - ZAR RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	208.53%	98.71%	109.82%
Since Inception (annualised)	10.14%	6.06%	4.08%
Latest 60 months (annualised)	7.12%	5.47%	1.65%
Latest 36 months (annualised)	2.38%	0.63%	1.76%
Latest 12 months (annualised)	(23.77)%	(31.54)%	7.77%
Year to date	(5.57)%	(11.32)%	5.75%
2008	(12.05)%	(16.57)%	4.52%
2007	5.32%	7.02%	(1.70)%
2006	30.52%	33.18%	(2.66)%
2005	23.93%	23.35%	0.58%

PERFORMANCE FOR VARIOUS PERIODS - USD RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	48.44%	(4.40)%	52.84%
Since Inception (annualised)	3.44%	(0.38)%	3.83%
Latest 60 months (annualised)	(1.48)%	(3.00)%	1.51%
Latest 36 months (annualised)	(11.77)%	(13.29)%	1.51%
Latest 12 months (annualised)	(35.63)%	(42.19)%	6.57%
Year to date	(6.06)%	(11.78)%	5.72%
2008	(37.10)%	(40.33)%	3.23%
2007	7.83%	9.57%	(1.74)%
2006	18.24%	20.65%	(2.41)%
2005	10.54%	10.02%	0.52%

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.

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 short selling 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 31 March 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 December 2008. 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.