

The fund returned a very satisfactory 10.6% (in US dollar terms) for the third quarter of 2009, while over the past year it returned just under 24% (in dollars). Rand strength has diluted the rand returns significantly, with the result that the annual rand returns ended up slightly negative.

The past quarter saw a continuation of the strong equity rally that started in March this year. Better than expected earnings announcements resulted in an 8% gain during July and this was followed by two equally healthy 4% returns in August and September, largely on the back of improving economic data points. Company earnings surprises were largely driven by rapid cost containment rather than top line growth and company outlooks were barely positive. It did appear that the worst of the recession had passed. Credit markets also improved over the quarter with credit spreads falling to levels prior to the collapse of Lehman Brothers and the TED spread (the interbank rate less the risk free rate) fell to more normal levels. Economic data was also broadly positive although the Fed and others were quick to say that the economy was still fragile and that they were still cautious on their outlook. There is significant debate around the sustainability of recent numbers which benefitted from the 'cash for clunkers' scheme and other state supported stimuli. Indeed, the end of September and early October saw a brief market pull back when US unemployment rose to 9.8%. Commodity prices also rose strongly over the quarter, most notably gold (+8.7%), copper (+24.4%) and sugar (+43.3%).

In terms of regional equity performance, Asia ex-Japan was the best performing region, appreciating 27.4% (in dollars) over the quarter led by Singapore and Australia. Europe rose 23.0% (in dollars) with big gains in Spain, Greece, Italy and Sweden. In dollars, Japan was by far the worst performing market, rising only 6.6% over the quarter.

The fund benefitted from its exposure to direct equities which accounted for most of the performance over the period. The equity exposure largely comprises of positions in globally competitive branded companies with strong cash flows and which we believe are currently undervalued by the markets. These holdings include names like BAT, Telefonica, Philip Morris, Tesco and Imperial Tobacco. In addition, the fund has a holding in the Coronation Global Emerging Markets Fund.

The fund has a direct exposure to gold of 5%. In addition, a further exposure of 5% is held in natural gas, corn and wheat.

The 6% exposure to international real estate comprises largely of Australian property companies and REITs.

The majority of the bond exposure comprises of an investment in US inflation-linked bonds. It should be pointed out that the risk of an overall rise in the yield curve in the US has been hedged out.

After the precipitous events of 2008 and the strong market rally over the past six months, it is important to consider cautiously how the future may evolve. The sharp equity rally has largely been in cyclical, debt challenged companies that were priced for extinction at the bottom of the market. These companies have now re-rated sharply, reflecting the improved – possibly too optimistic - economic outlook. At the same time there is also clearly substantial money on the sidelines, evidenced by the size of US money market funds. This would suggest that there is still a great deal of skepticism regarding equities in the minds of many investors. In the short term therefore, equity markets may continue to rise as some of this money is reinvested into equities. However, we also believe that a credit binge, similar to what we have witnessed in the past few years, needs to be followed by a multi-year period of savings accumulation and debt repayment. This should exert a dampening effect on consumption; the backbone of economic growth in the Western World.

Hence, we do believe that there could be some disappointments ahead, especially for the more cyclical companies. As a result we will keep our equity and property exposure well below our maximum level of around 50% for the time being. We will rather focus on areas of the investment spectrum that offer low-risk opportunities to produce incremental, but low volatility returns.

Within the fund's equity exposure, we will continue to focus on those multi-national companies with proven brands and franchises as well as sustainable earnings growth. These companies are often trading on low multiples and pay dividends well in excess of the yields available on cash and government bonds. In addition, we are hoping to add value by introducing yield enhancing instruments on an opportunistic basis.

Portfolio managers

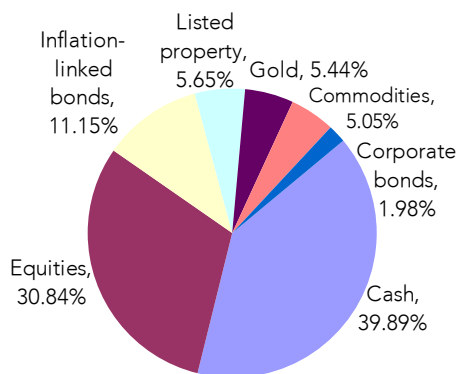
Tony Gibson and Louis Stassen

Fund category Foreign Asset Allocation Flexible
Fund description Aims to provide long-term capital growth by investing in the best global investment ideas.
Launch date 1 November 2008

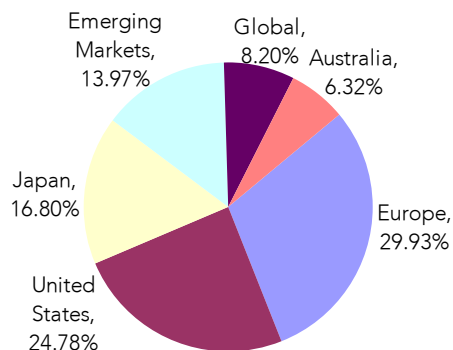
Portfolio managers Tony Gibson and Louis Stassen
Fund size R25.40 million
NAV 99.66 cents
Benchmark 50% USD 3 month LIBOR and 50% 3 month EURIBOR

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE



EQUITY EXPOSURE



CURRENCY ALLOCATION

Currency	% of Fund
Euro	30%
US Dollar	35%
British Pound	20%
Japanese Yen	15%
Australian Dollar	0%

MONTHLY PERFORMANCE RETURNS (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2009	5.68%	-6.10%	-0.93%	-7.27%	2.25%	-2.91%	5.87%	1.81%	-0.03%			
Fund 2008											0.82%	-2.69%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related	Discounted: 0.75%
	Standard: 1.50%
	Maximum: 2.50%
	Sharing rate: 10%

INVESTMENT OBJECTIVE

The fund provides investors with access to the best investment ideas from around the world, with the aim of achieving long-term capital growth. It blends individual asset selection with limited exposure to some of the best global investment managers to reflect Coronation's view across asset classes, regions, sectors and currencies. Our objective is to achieve real returns on capital in US dollars over a 3 – 5 year period.

INVESTMENT MANDATE

As a global flexible fund with a developed market bias, the portfolio is constructed from the bottom up, based on the valuation prospects of individual assets and the various asset classes globally. No more than 20% of the fund is invested with other investment managers and all managers are subject to ongoing performance and risk analysis. In addition, the fund may invest in exchange traded funds where appropriate. A minimum of 85% of the fund's assets is invested offshore.

PERFORMANCE AND RISK STATISTICS¹

PERFORMANCE FOR VARIOUS PERIODS

ZAR Return	Fund	Mean of Category	Benchmark
Since inception	-4.32%	-7.82%	-16.09%

USD Return	Fund	Mean of Category	Benchmark
Since inception	24.38%	19.83%	9.08%

RISK AND RETURN STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised average return	N/A	N/A
Annualised deviation	N/A	N/A
Sharpe ratio	N/A	N/A
Maximum gain	N/A	N/A
Maximum drawdown	N/A	N/A
Positive months	N/A	N/A

Total Expense Ratio (TER)

As this is a recently launched fund, the TER cannot be accurately determined and will be in line or higher than the quoted annual management fee

When applicable, Coronation shares in the fund performance above the performance fee hurdle. 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 performance fee hurdle, a standard minimum fee will be levied. If the fund produces a negative return over a rolling 12-month period, the discounted minimum fee applies.

For further information regarding our fee structure please contact us or visit our website.

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.