

PORTFOLIO MANAGER COMMENTARY

The fund had a disappointing 2010 with a return of 13.4% for the 12 month-period, underperforming the benchmark (MSCI Emerging Markets Index) by just over 5%. Whilst we are naturally unhappy with underperforming over any time period, the fund's longer-term performance is still very satisfying and since the fund was launched in July 2008, it has convincingly outperformed the benchmark by 5% annualised (11.7% p.a. return for the fund compared to the 6.7% p.a. return of the benchmark).

In 2010 the fund's winners were just not big enough (either in absolute return or in position size) and at the same time the fund also had a number of poor performers. The biggest contributors to performance in 2010 were the Brazilian education companies (Anhangera +65% in USD and Kroton Educacional +25% in USD), the coke bottlers (Coca-Cola Femsa +25% in USD and Embotelladora Andina +49% in USD), Naspers (+41% in USD) and Turkiye Garanti (+24% in USD). Unfortunately a number of the fund's top 10 holdings performed poorly including Gazprom (0%), Banco Santander Brazil (-4%) and Netease (-4%). A slightly smaller position, China Dongxiang (a Chinese clothing and footwear sports retailer), declined by 40%. In all four cases we have readdressed the investment cases and continue to believe that there is substantial upside to the stocks (more than 50% in all four cases) and as a result we actually added to all these positions over the past few months. In only one case (China Dongxiang) have we reduced our fair value for the business and even after this reduction we believe there is material upside to the stock, which now trades on 7x current earnings excluding a significant net cash position.

Not owing any GEM food or clothing retailers cost the fund relative performance as this area of the market was one of the strongest performing areas. We have done detailed work on a number of the GEM retailers and whilst we would agree that many of them are great businesses, the current valuations (typically 20-30x 2011 earnings) just don't offer the margin of safety that we require. For example, Magnit (Russian food retailer) and Wal-Mart Mexico (Mexican and Central American hypermarket retailer) are two businesses that we would love to own, but at the right price. In both cases our fair values are some 10% below the current share prices. We want to buy assets at 30-40% below what we believe they are worth, which means that Magnit and WalMex would have to decline by some 40% before we would consider them to be attractive investment opportunities. The fund has indeed owned Magnit in the past: we bought the shares at around \$4 a share during the panic of 2008 and sold them in the \$18-20 range around a year later. Many of those same investors who were throwing away Magnit at \$4 a share are now prepared to pay \$30 for the exact same business a mere two years later.

Over the past few months we marginally reduced a few positions as they moved closer to what we believe the businesses are worth – the fund's positions in Turkiye Garanti, Naspers and MTN were reduced and we completely sold out of Coca-Cola Femsa and Qualcomm as they reached our fair values.

The fund's largest new position (1.7% of fund) was that in Bimbo Foods, who are the largest baker in the Americas with operations in their home country Mexico (over 60% of profits), Central/Southern America and the US. The group produce a range of products including bread, pastries, buns, cookies and confectionery. There are a number of qualities that we like about the business including the fact that it has dominant positions and resultant economies of scale, a defensive earnings stream, a long track record of consistent profitability (EBIT margins have been in a 12-14% band for the past 15 years) and shareholder-friendly management (the business is family owned and despite a number of acquisitions over the years the company has never once issued shares). The share trades on 15x what we believe it will earn in 2011 and whilst this may not appear to be particularly cheap, this is a quality business that we believe can grow its earnings by 17% p.a. compounded over the next five years. This will be driven by a number of factors including continued market share gains of packaged bread from fresh bread and synergies from the recent acquisition of the Sara Lee US baker business.

We also added to the fund's position in Heineken to the point where it is now the largest individual position at 5% of fund. Heineken are the owner of a number of premium brands, including the Heineken brand (the largest contributor to earnings), Amstel and Sol. Almost half of the group's business is now in emerging markets and Heineken have the largest percentage of beer volumes coming from premium brands when compared with the three other major global beer companies (Anheuser-Busch Inbev, SABMiller and Carlsberg). The EBIT (operating profit) of premium beer is around 70-80% higher than that of mainstream brands. Yet Heineken, with the largest exposure to premium brands, have the lowest operating margins in the industry (15% EBIT margin compared to the 17% of SABMiller, 20% of Carlsberg and 30% of AB Inbev). There are a number of reasons why Heineken will never achieve the 30% operating margins that AB Inbev enjoy, but we do believe that Heineken will be able to lift their margins over time to closer to the 17-18% EBIT margin level - if not higher. We believe Heineken owns, or part owns, some extremely attractive assets, notably its African business (it is #2 on the continent after SABMiller and has a very strong Nigerian business) as well as its joint ventures in India with United Breweries (Kingfisher being the primary brand) and its stake in the Southeast Asian brewer, Asia Pacific Breweries (where Tiger is the primary brand). We believe that these assets will show substantial growth over the next several years, with additional growth coming from continued premiumisation globally (particularly in emerging markets), revenue and cost synergies from the FEMSA deal and finally cost efficiencies across the business (particularly in the mature European operations). Heineken now trades on around 10x this year's expected free cash flow, which we believe is very attractive for an asset of this quality.

Finally, we added substantially to the fund's existing positions in the Chinese car companies (Great Wall Motors and Guangzhou Automobile Group, which together make up 6% of fund) as they experienced sharp share price declines at the end of the year in large part due to new restrictions on car vehicle licences in Beijing. Both companies have large net cash positions (20-25% of current market caps) and trade on single digit multiples excluding the cash positions. We believe that both companies can grow their earnings well into the double digits for a number of years and as a result current valuations in our view provide a great buying opportunity.

Portfolio managers

Gavin Joubert, Mark Butler and Suhail Suleman

CORONATION GLOBAL EMERGING MARKETS FUND

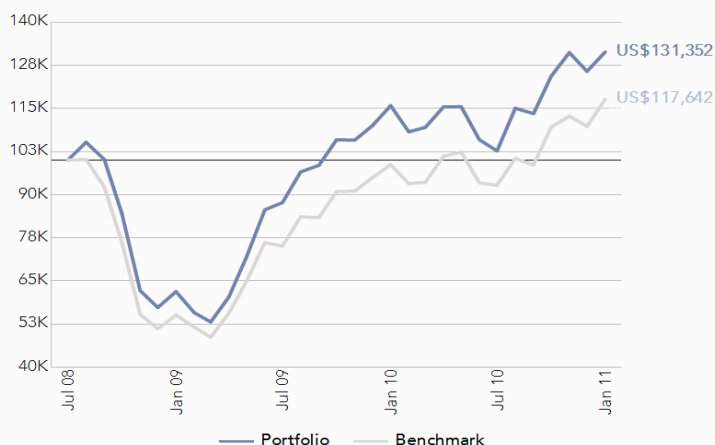
A sub-fund of the Coronation Global Opportunities Fund domiciled in Ireland
as at 31 December 2010

Currency	USD
Minimum Investment	US\$15,000.00
Launch date	14 July 2008
Portfolio manager/s	Gavin Joubert, Mark Butler and Suhail Suleman
Annual management fee	1.1%
Annual outperformance	15% of returns above MSCI Emerging Markets Index with 2% cap
Fund domicile	Ireland
Listing	Irish Stock Exchange

Fund size	US\$427.18 million
Benchmark	MSCI Emerging Markets Index
Liquidity	Daily
Redemption 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 STATISTICS

GROWTH OF A US\$100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	31.35%	17.64%	13.71%
Since Inception (annualised)	11.69%	6.81%	4.88%
Latest 1 year (annualised)	13.42%	19.20%	(5.77)%
Year to date	13.42%	19.20%	(5.77)%
2009	87.08%	79.02%	8.06%
2008	(38.10)%	(44.87)%	6.77%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	33.83%	33.68%
Sharpe Ratio	0.08	(0.06)
Maximum Gain	99.43%	56.31%
Maximum Drawdown	(49.52)%	(51.41)%
Positive Months	60.00%	56.67%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	(6.6)%	1.2%	5.4%	0.1%	(8.3)%	(3.0)%	12.0%	(1.4)%	9.5%	5.5%	(4.1)%	4.5%	13.4%
Fund 2009	(9.9)%	(4.8)%	13.7%	19.2%	18.9%	2.5%	10.1%	2.0%	7.5%	(0.1)%	4.0%	5.3%	87.1%
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	31 Dec 2010
Equities	97.91%
China	28.17%
Brazil	10.65%
United States	7.35%
South Africa	7.15%
Netherlands	6.47%
Russia	6.07%
Greece	4.83%
Mexico	3.87%
Korea	3.87%
Belgium	3.41%
Other	16.09%
Cash	2.09%
ZAR	2.98%
USD	0.18%
Other	(1.08)%

TOP 10 HOLDINGS

As at 31 Dec 2010	% of Fund
Heineken NV (Netherlands)	5.01%
Netease.com Inc (China)	4.77%
OAO Gazprom Reg (Russia)	4.69%
Banco Santander (Brazil)	4.57%
Naspers Ltd (South Africa)	4.20%
Sohu.com Inc (China)	3.96%
China Unicom Hong Kong Ltd (China)	3.42%
Anheuser-Busch InBev (Belgium)	3.41%
Colgate-Palmolive Company (United States)	3.34%
Great Wall Motor Company Ltd (China)	3.34%

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 universe. The fund will typically be fully invested in equities at all times (90% + equity exposure).

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