

PORTFOLIO MANAGER COMMENTARY

Globally equity markets continued their strong recovery, with the MSCI World Index in dollar terms returning 9% for the quarter, taking its return for calendar 2010 to over 12% and the recovery from the lows at the end of June to 24%. Fixed interest markets around the world retreated further, generating another quarter of negative returns and shrinking the annual return number to just over 3%. Listed property continued to benefit from the renewed risk appetite and delivered another strong performance. In other sectors commodities continue to do well, albeit with increased volatility. Gold for instance, returned over 7% for the 3-month period. The global currency market proved uneventful, with the dollar relatively stable over the period, but also with a fair degree of inter-period volatility. Emerging market currencies continued to find support among investors who are hungry for yield, and the rand strengthened by over 5% against the dollar over the period.

Your fund returned 1.3% in dollar terms for the quarter, continuing the strong recovery experienced since July 2010. The calendar year return of around 5.3% (in dollar terms) comfortably exceeded the target return. The strength in the rand has, however, more than neutralised the decent dollar returns and your fund showed negative returns over all periods. We continue to manage the fund against US dollar return targets, assuming that our investors have already taken an active view to externalise their assets. It must be stressed that all these dollar returns were achieved within acceptable risk parameters and we remained conscious of the fund's lower risk profile.

Positive returns came from both our continued exposure to defensive cheap equities and from our continued success in picking strongly performing listed property counters. Our physical gold position was another positive, whilst a very defensive position in fixed interest assets ensured that the fund benefited from its holdings, despite the negative benchmark returns. The position in corn, which was sold during the period, also contributed. The exposure to natural gas had a marginally positive effect, but the prices are still significantly below our entry levels.

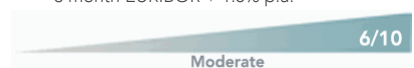
Over the period we introduced some hedging into the fund to protect it from adverse developments in global equity markets. Whilst this insurance comes at a price, we are convinced that it is in line with the fund's risk parameters. We will continue to consider further hedging at acceptable prices. We reduced the fund's exposure to emerging equity markets to further reduce the risk profile. We have also taken some profit in the property holdings.

Whilst global equity markets continue to discount a positive outcome for corporate profits, we remain conscious of the risks embedded in this outlook and will continue to manage the fund conservatively.

Portfolio managers

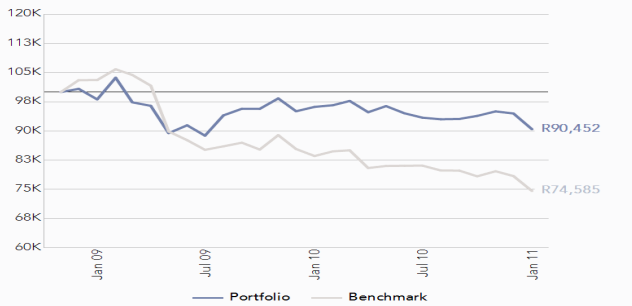
Tony Gibson and Louis Stassen

Fund category Foreign Asset Allocation Flexible
Fund description Aims to provide diversified exposure to global assets with a focus on capital preservation.
Launch date 22 September 2008
Portfolio manager/s Tony Gibson and Louis Stassen

Fund size R97.49 million
NAV 94.23 cents
Benchmark/Performance Fee Hurdle † 50% USD 3 month LIBOR and 50% 3 month EURIBOR + 1.5% p.a.
Risk profile 

PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS (ZAR)

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	(9.6)%	(25.3)%	15.7%
Since Inception (annualised)	(4.5)%	(12.9)%	8.3%
Latest 1 year (annualised)	(6.0)%	(11.3)%	5.3%
Year to date	(6.0)%	(11.3)%	5.3%
2009	(2.0)%	(18.9)%	17.0%

PERFORMANCE FOR VARIOUS PERIODS (USD)

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	33.5%	8.7%	24.8%
Since Inception (annualised)	14.3%	4.0%	10.3%
Latest 1 year (annualised)	5.1%	(1.0)%	6.1%
Year to date	5.1%	(1.0)%	6.1%
2009	26.2%	3.9%	22.3%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	10.7%	11.2%
Sharpe Ratio	(1.19)	(2.01)
Maximum Gain	7.8%	4.3%
Maximum Drawdown	(14.4)%	(32.3)%
Positive Months	50.0%	34.6%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	0.4%	1.1%	(3.0)%	1.7%	(1.9)%	(1.2)%	(0.4)%	0.1%	0.8%	1.2%	(0.6)%	(4.3)%	(6.0)%
Fund 2009	5.7%	(6.1)%	(0.9)%	(7.3)%	2.3%	(2.9)%	5.9%	1.8%	0.0%	2.8%	(3.4)%	1.2%	(2.0)%
Fund 2008											0.8%	(2.7)%	(1.9)%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related	Minimum - standard: 1.50% Minimum - discounted: 0.75% Maximum: 2.50% Sharing Rate: 10.00%

* 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.

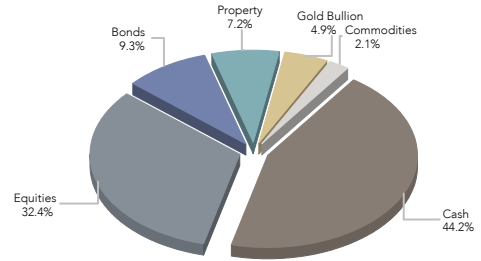
When applicable, Coronation shares in the fund performance above the performance fee hurdle. This performance fee is accrued daily, based on performance over a rolling 12-month period, and paid to Coronation monthly. If the fund produces a return in line with or below the benchmark, the standard minimum fee will be levied. If the fund produces a negative return (measured in USD) 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.

Total Expense Ratio (TER)²	3.13% per annum, which includes a performance fee of 1.00%
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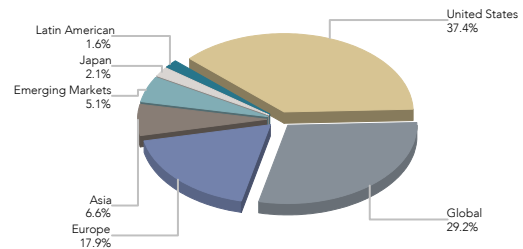
† Please note that the benchmark of USD 3-month LIBOR+5% p.a. has changed with effect 5 August 2008.

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE



GEOGRAPHIC ASSET ALLOCATION EXPOSURE



CURRENCY ALLOCATION

Currency as at 31 Dec 2010	% of Fund
US Dollar	66.4%
UK Pound Sterling	18.1%
Euro	15.4%
Asia (ex Japan)	0.8%

ADVICE COSTS (excluding VAT)

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 as calculated by Coronation as at 31 December 2010 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 September 2010. 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.

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.