## PORTFOLIO MANAGER COMMENTARY

Equity markets went out on a high in the final quarter of 2010 as market participants generally took a more benign view on the overall economic outlook. The counter to this 'risk on' trade was that the big developed market currencies continued to weaken, resulting in further strength in all the commodity-producing currencies such as the rand. The fund returned 5.2% for the quarter to end the calendar year with a total return of 16.8% against the 15.9% delivered by its balanced fund benchmark.

It was a very good year for stock selection within the fund's equity component and this again worked well in the final quarter of 2010. A number of our big positions performed well during this period including Anglo American (+21%), Impala (+29%), Sasol (+13%) and Naspers(+14%). The investment case for Anglo American in particular has come through nicely as the market started to appreciate that its expansion projects in South America will add significant value to shareholders. Once again, taking a long-term view on the valuation has proved its worth. You will notice that the major outperformers were mainly commodity shares, despite the rand strengthening over this period. Commodity prices have continued to soar globally as the US, and to a lesser extent Europe, keep pumping cash into the global economy. While these prices are way above normal, resource companies generate cash which can be returned to shareholders every year that they remain this high. We increased our weightings to resources early in the year when the market was less optimistic about the global recovery. Now that they have run quite hard we are looking at reducing some of our exposure even though we are cognisant that the rand is very strong and likely to weaken in the medium term.

An important change regarding the country's exchange controls occurred during the final quarter of the year. Exchange control was further relaxed, with pension funds now being able to externalise up to 25% of their assets, and unit trust management companies up to 30%. Given the investment opportunities presented globally and the relatively expensive SA equity market we have moved more funds offshore to take advantage of some of the better return opportunities.

Within the fixed interest space the fund is positioned for what we believe will be an uptick in inflation, followed by interest rates. The majority of our bonds are either inflation linked or floating rate notes, predominantly corporate paper which gives an additional yield over government bonds or bank call rates. We have also sold down our domestic property exposure as the yields in this sector are generally no longer that attractive. We have increased our weighting in UK property through Capital Shopping Centres following their capital raising to fund the purchase of a large property. Subsequently this share has become the subject of corporate activity, justifying our view that it is a unique asset with word-class centres.

As the equity markets ran, we have purchased some protection (equity market put options) which reduces overall equity exposure and potentially protects capital should there be a sharp sell-off. Given the great returns the fund has experienced we believe this to be prudent given the lower upside left in the SA market. The fund remains well diversified across asset classes and regions and is well positioned to continue generating long-term, inflation-beating returns.

Portfolio manager
Neville Chester

# CORONATION MARKET PLUS

CLASS A as at 31 December 2010

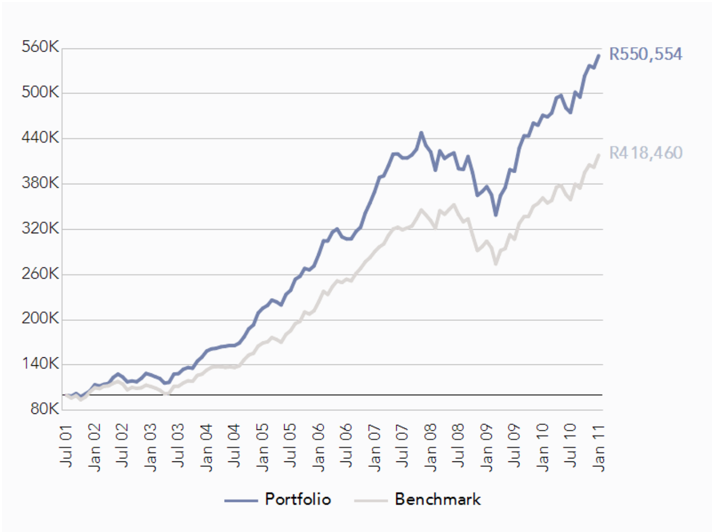
CORONATION FUND MANAGERS

| | |
|---|---|
| Fund category | Domestic - Asset Allocation - Flexible |
| Fund description | Invests across various domestic and international asset classes, with a bias towards the equity market over the investment cycle. |
| Launch date | 02 July 2001 |
| Portfolio manager/s | Neville Chester |

| | |
|---|---|
| Fund size | R 1.85 billion |
| NAV | 4313.75 cents |
| Benchmark | Composite (63% equity, 22% bonds, 10% international, 5% cash) + 2% p.a. |
| Risk profile | 7/10 Aggressive |


## PERFORMANCE AND RISK STATISTICS[1]

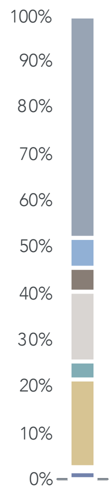
### GROWTH OF A R100,000 INVESTMENT




## PORTFOLIO DETAIL

### EFFECTIVE ASSET ALLOCATION EXPOSURE

| Sector | 31 Dec 2010 |
|---|---|
| **Domestic Assets** | **77.7%** |
| Equities | 47.6% |
| Oil & Gas | 4.9% |
| Basic Materials | 11.2% |
| Industrials | 3.9% |
| Consumer Goods | 4.9% |
| Health Care | 1.5% |
| Consumer Services | 7.3% |
| Telecommunications | 4.9% |
| Financials | 10.9% |
| Derivatives | (1.8)% |
| Preference Shares & Other Securities | 6.1% |
| Real Estate | 5.2% |
| Bonds | 15.2% |
| Cash | 3.6% |
| **International Assets** | **22.3%** |
| Equities | 19.9% |
| Real Estate | 1.3% |
| Bonds | 1.1% |
| Cash | 0.0% |




### PERFORMANCE FOR VARIOUS PERIODS

| | Fund | Benchmark | Outperformance |
|---|---|---|---|
| Since Inception (unannualised) | 450.6% | 318.6% | 131.9% |
| Since Inception (annualised) | 19.7% | 17.7% | 2.0% |
| Latest 5 years (annualised) | 13.9% | 15.2% | (1.2)% |
| Latest 3 years (annualised) | 9.2% | 9.8% | (0.6)% |
| Latest 1 year (annualised) | 16.8% | 17.9% | (1.1)% |
| Year to date | 16.8% | 17.9% | (1.1)% |
| 2009 | 25.1% | 21.1% | 4.0% |
| 2008 | (10.9)% | (7.2)% | (3.7)% |
| 2007 | 14.2% | 16.0% | (1.8)% |

### TOP 10 HOLDINGS

| As at 31 Dec 2010 | % of Fund |
|---|---|
| Coronation Glbl Opp Eqty Fd Cl B | 11.8% |
| Sasol Ltd | 4.9% |
| MTN Group Ltd | 4.9% |
| Anglo American Plc | 4.0% |
| Standard Bank of SA Ltd | 3.9% |
| Coronation Global Emerging Markets Fund | 3.7% |
| Naspers Ltd | 3.1% |
| SABMiller Plc | 2.6% |
| Capital Shopping Centre Group | 2.5% |
| British American Tobacco Plc | 2.4% |

### RISK STATISTICS SINCE INCEPTION

| | Fund | Benchmark |
|---|---|---|
| Annualised Deviation | 12.1% | 11.9% |
| Sharpe Ratio | 0.83 | 0.51 |
| Maximum Gain | 36.7% | 29.3% |
| Maximum Drawdown | (24.4)% | (23.6)% |
| Positive Months | 66.7% | 67.5% |

### INCOME DISTRIBUTIONS

| Declaration | Payment | Amount | Dividend | Interest |
|---|---|---|---|---|
| 30 Sep 2010 | 01 Oct 2010 | 49.19 | 30.02 | 19.17 |
| 31 Mar 2010 | 01 Apr 2010 | 34.88 | 19.05 | 15.83 |
| 30 Sep 2009 | 01 Oct 2009 | 36.01 | 20.37 | 15.64 |
| 31 Mar 2009 | 01 Apr 2009 | 91.03 | 75.26 | 15.77 |

### MONTHLY PERFORMANCE RETURNS

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund 2010 | (0.4)% | 1.1% | 4.2% | 0.6% | (3.3)% | (1.3)% | 5.7% | (1.3)% | 5.6% | 2.7% | (0.5)% | 3.0% | 16.8% |
| Fund 2009 | (2.9)% | (7.4)% | 7.7% | 2.8% | 6.4% | (0.5)% | 7.8% | 3.8% | 0.0% | 3.8% | (0.6)% | 2.9% | 25.1% |
| Fund 2008 | (5.7)% | 6.4% | (2.4)% | 1.1% | 0.7% | (5.0)% | (0.3)% | 4.3% | (5.2)% | (7.6)% | 1.3% | 1.8% | (10.9)% |

## FEES (excl. VAT)

| | |
|---|---|
| Initial Fee | Coronation: 0.00% |
| Annual Management Fee - performance related* | Minimum - standard: 1.25%<br>Minimum - discounted: 0.75%<br>Maximum: 3.00%<br>Sharing Rate: 20.00% |

* 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 over a rolling 60-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 | 1.85% per annum, which includes a performance fee of 0.50% |

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, as well as the actual performance fee incurred over the 12 months 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.