

PORTFOLIO MANAGER COMMENTARY

The fund returned 1.6% for the quarter, against 3.8% from the benchmark MSCI World Index (dividends reinvested). For a rolling 12-month period, the fund's return of -1.8% is behind that of the benchmark's +0.5%.

Equity markets rose strongly in the fourth quarter despite a re-emergence of the sovereign debt crisis in Europe as Ireland was forced to accept a European/IMF bailout and implement further budget cuts. As with Greece, contagion was a concern and Portugal and Spain were forced to strongly deny any need for similar measures. We expect these countries will endure deep recessions but are cognisant that other parts of Europe are showing signs of a slow, steady recovery which should prevent default of any one country. In the US, markets reacted favorably to ongoing improvement in the local economy, overlooking the political 'shellacking' of President Obama and continued weakness in employment numbers. Despite the economic improvement and widespread criticism of the second round of quantitative easing, Fed Chairman Bernanke spoke openly about his willingness to further expand this quantitative easing by launching 'QE3' should it be required. This announcement also buoyed the markets. China, on the other hand, continued to try to moderate its strong economic growth and rampant housing market by raising Bank reserve requirements during the quarter.

In terms of regional equity performance, Japan was the best performing region, rising 12.1% (in US dollar terms), while Europe was the worst performer at only 4.6% (in US dollar terms). North America had a strong quarter finishing up 11.1% (in US dollar terms) compared to the MSCI World Index return of 9.1%. The fund's regional positioning was the largest detractor from relative performance this quarter.

Overall, the managers only slightly detracted from relative performance, with Asia and the US underperforming and Europe and Japan outperforming their respective benchmarks. In the US, despite an excellent annual return, Vanguard Primecap underperformed this quarter as did Legg Mason Value Fund. UOB Kinetics were marginally behind the index and also had a strong 12-month performance.

Veritas Asia had a poor quarter and was the main reason for the Asian underperformance. The manager has been very cautiously positioned in the latter half of the year and has consequently lost ground with the strong momentum in the markets. Vitruvius Asia performed in line with the index.

In Europe, the market stress experienced during the year has created some excellent investment opportunities and Egerton Capital European fund, in particular, capitalised on these to have an excellent performance for the quarter and the year. Although defensively positioned, Ruffer European also contributed to performance this quarter. In Japan, Morant Wright had a good quarter, finishing the year slightly behind the Topix index.

During the quarter, we made an initial investment into Vulcan Value Partners Fund, run by CT Fitzpatrick and his team based in Birmingham, Alabama. Mr. Fitzpatrick was previously a portfolio manager with Southeastern Asset Management before founding Vulcan Value Partners. A strong emphasis on quality companies, detailed proprietary research and a concentrated portfolio are the key strengths we liked about the firm and are pleased to have them manage a part of our portfolio.

We also invested in Indus Select, a Pan-Asia fund. We already have exposure to the manager of this fund through our investment in the Vitruvius Asia Fund. We will ultimately consolidate our investments into the Indus Fund.

Outlook

We have been saying for some time that we believe that equities are under-owned and offer attractive valuations over the medium term. 2010 was a difficult year for stock pickers but we believe that the markets will again focus on company fundamentals as the broader economic environment becomes clearer and more stable. Equities are also an effective inflation hedge which further enhances their attractiveness should, as we expect, inflation start picking up.

Portfolio manager

Tony Gibson

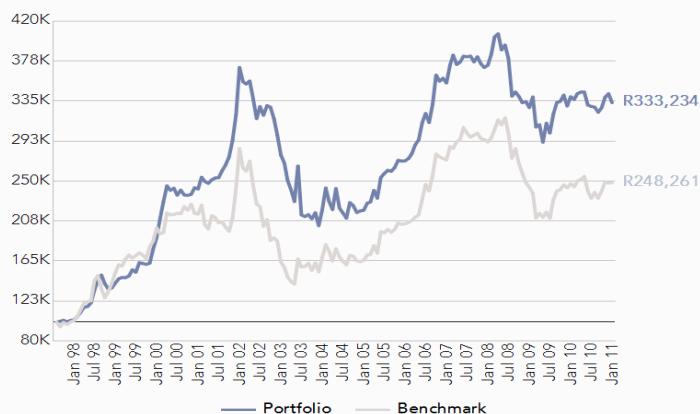
Fund category Foreign - Equity - General
Fund description Aims to achieve long-term capital growth that exceeds the MSCI World Index in dollar terms while ensuring lower volatility of returns, particularly on the downside, than conventional index-linked equity portfolios.
Launch date 01 August 1997
Portfolio manager/s Tony Gibson

Fund size R804.19 million
NAV 3089.00 cents
Benchmark/Performance Fee Hurdle MSCI World Index (Rands)
Risk profile



PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 Dec 2010
Equities	91.9%
Global (2 Funds)	38.3%
Europe (3 Funds)	26.8%
North America (1 Fund)	10.9%
Asia (1 Fund)	8.1%
Japan (1 Fund)	7.8%
Cash	8.1%
Foreign	5.8%
Domestic	2.3%

PERFORMANCE FOR VARIOUS PERIODS - ZAR RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	233.2%	148.3%	85.0%
Since Inception (annualised)	9.4%	7.0%	2.4%
Latest 10 years (annualised)	3.3%	1.5%	1.8%
Latest 5 years (annualised)	4.2%	4.0%	0.2%
Latest 3 years (annualised)	(3.7)%	(5.2)%	1.5%
Latest 1 year (annualised)	(1.8)%	0.5%	(2.3)%
Year to date	(1.8)%	0.5%	(2.3)%
2009	3.5%	1.6%	1.9%
2008	(12.1)%	(16.6)%	4.5%
2007	5.3%	7.0%	(1.7)%

TOP 5 HOLDINGS

As at 31 Dec 2010

Contrarius Global Equity Fund
Cantillon GV Fund E-Series E1
Vulcan Value Partners Fund
Edinburgh Partners European Opportunity Fund
Coronation Global Emerging Markets Fund

PERFORMANCE FOR VARIOUS PERIODS - USD RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	131.0%	72.8%	58.2%
Since Inception (annualised)	6.4%	4.2%	2.3%
Latest 5 years (annualised)	3.2%	3.0%	0.2%
Latest 3 years (annualised)	(2.8)%	(4.3)%	1.5%
Latest 1 year (annualised)	9.7%	12.3%	(2.6)%
Year to date	9.7%	12.3%	(2.6)%
2009	33.2%	30.8%	2.4%
2008	(37.1)%	(40.3)%	3.2%
2007	7.8%	9.6%	(1.7)%
2006	18.2%	20.7%	(2.4)%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	16.4%	18.3%
Sharpe Ratio	(0.10)	(0.22)
Maximum Gain	51.7%	53.2%
Maximum Drawdown	(45.3)%	(50.7)%
Positive Months	59.0%	53.4%

MONTHLY PERFORMANCE - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	(0.8)%	1.8%	0.5%	0.0%	(4.0)%	(0.4)%	(0.2)%	(1.7)%	1.5%	3.4%	1.1%	(2.8)%	(1.8)%
Fund 2009	3.4%	(9.4)%	0.8%	(6.0)%	6.9%	(3.3)%	6.7%	3.9%	0.4%	2.0%	(3.4)%	3.0%	3.5%
Fund 2008	3.2%	4.7%	0.8%	(4.2)%	1.3%	(3.7)%	(10.5)%	1.3%	(1.4)%	(2.0)%	0.4%	(1.9)%	(12.1)%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum: 1.40% Maximum: 3.50% Sharing Rate: 10.00%

* A portion of Coronation's annual management fee may be paid to administration platforms like LSP'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 for the relevant 12-month period, the minimum fee applies. For further information regarding our fee structure please contact us or visit our website.

Total Expense Ratio (TER)²	2.56% per annum, which includes a performance fee of 0.06%
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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.