

PORTFOLIO MANAGER COMMENTARY

Emerging markets had a slow start to 2010 (up 1% in ZAR) and the fund ended the first quarter flat. Over the past 1-year period the fund has appreciated by 41.1%, outperforming the MSCI Emerging Markets Index by 3% and since the fund was launched just over two years ago, it has outperformed the index by just under 7% annualised.

Whilst emerging markets are clearly not as cheap as they were a year ago, we are still able to find decent selected value within emerging markets and this is reflected in the fund's net equity exposure of around 85%. As risk appetite continues to be high the cyclical assets, in particular commodity companies, continue to appreciate. As a result, we have continued to reduce the fund's commodity exposure and sold totally out of the Brazilian steel company Usiminas, which the fund has held for the past two years. The fund's only remaining commodity exposure is to oil & gas companies (8% of fund, primarily held through the 4.5% position in Gazprom) where we are still able to find good value. While the cyclical assets continue to appreciate, many of the more defensive businesses continue to lag and as a result we added to our existing positions in the Brazilian private education businesses (Anhanguera and Kroton Educational) and the Chinese internet businesses (Sohu and Netease).

A number of the fund's long-held positions started to get closer to what we believe the businesses are worth and in this regard we reduced the fund's positions in Naspers, Femsa and Carlsberg. At the same time the fund made a handful of new purchases over the past few months, with the three most significant being positions in Qualcomm, China Resources Enterprise and Bank of Baroda.

Qualcomm are a US listed and headquartered business, but generate a large part of their revenue (over 60%) from emerging markets, in particular China and Korea. Qualcomm have two parts to their business – making and selling chipsets for mobile phones and licensing software for 3G mobile phones. The company is the leader in the supply of technology to the mobile phone industry and counts most of the global handset producers amongst their customers. In effect, Qualcomm have made it their business to perform the R&D function for the handset manufacturers – over the past 10 years R&D as a percentage of sales has increased from being less than 10% of sales to over 20% of sales. As the 3G and smartphone market continue to grow around the world, Qualcomm benefits as it is their technology that is used in these mobile phones. Extremely short-term focused market participants gave us the opportunity to buy Qualcomm at a very attractive price as the share was sold down after announcing quarterly results that were behind market expectations. Yes, quarterly results. Qualcomm has almost \$20 billion (\$12 a share) of net cash on the balance sheet and at our average purchase price of around \$38 we bought the company on around 11x this year's earnings excluding the net cash position, which we believe is a very attractive price for a company of such quality.

China Resources Enterprise (CRE) is a Chinese conglomerate with interest in beer, food retail, food manufacturing and property. The two most important parts to the business are the beer and food retail interests – these two assets make up 70% of our total valuation for CRE. The beer business is a joint venture with SABMiller (51% owned by CRE) and is the maker of the Snow brand, which is the best selling beer in the world by volume. We believe the 10-year prospects for this business are exceptional due to a) low current per capita beer consumption in China b) low current beer pricing (beer being cheaper than milk) c) a currently fragmented market and hence the opportunity for CR Snow to take significant market share. As a result of these positive drivers, we believe that the beer business can compound earnings at around 20% over the next several years. We also believe that the food retail business can grow its earnings at a high rate over the next several years due to continued store roll-out and margin expansion due to economies of scale. As a result, whilst CRE may not look particularly cheap on near-term earnings multiples, we believe the share is very attractive due to the high quality of assets that the company owns and due to the high rate that the company can compound earnings and free cash flow at over the next several years.

Bank of Baroda are a State owned Indian bank. Banking penetration in India is generally very low and against the backdrop of strong GDP growth and rising disposable incomes in India, we believe that bank of Baroda can grow their earnings and NAV at close to 20% over the next 5 years. This growth will be driven by both loan growth and growth in fees and commissions. To illustrate the size of the potential opportunity, one just has to consider that only two out of every 1 000 Indians have a credit card. This compares for example to 100 out of 1 000 South Africans, 130 out of every 1000 Chinese and every American having 4 credit cards! Fee and commission income as a percentage of average assets for Bank of Baroda is currently around 0.5% compared to the 2% level of emerging market banking peers in Brazil, South Africa and Russia. Bank of Baroda already generates ROE's of just under 20% and we expect that ROE's will increase over the next few years to around the 23% level. At the time of purchase Bank of Baroda was trading on around 6.5x our estimate of this year's earnings and a price/book value of 1.3, which we believe is very attractive and provides a good example of how good value can still be found within the global emerging markets universe.

Portfolio managers

Gavin Joubert, Mark Butler and Suhail Suleman

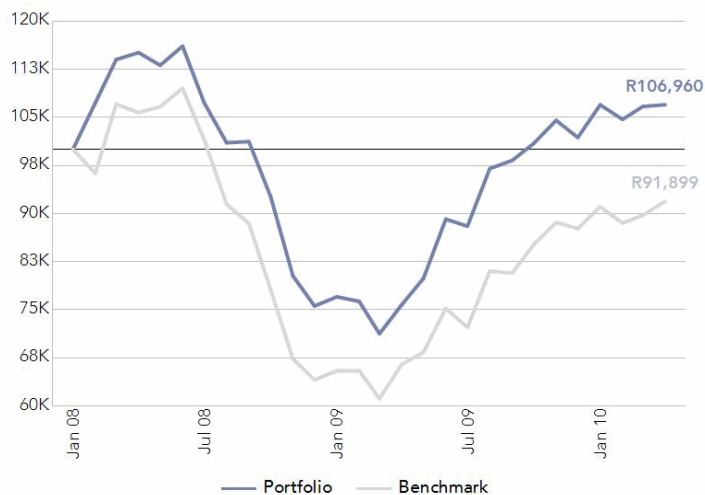
Fund category Foreign - Asset Allocation - Flexible
Fund description Aims to provide long-term capital appreciation by investing in global emerging markets.
Launch date 28 December 2007
Portfolio manager/s Gavin Joubert, Mark Butler and Suhail Suleman

Fund size R419.20 million
NAV 104.48 cents
Benchmark/Performance Fee Hurdle † MSCI Emerging Markets Index
Risk profile

Cons Mod Aggr

PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	7.0%	(8.1)%	15.1%
Since Inception (annualised)	3.0%	(3.7)%	6.7%
Latest 1 year (annualised)	41.1%	38.2%	2.9%
Year to date	0.0%	0.9%	(0.9)%
2009	38.9%	39.1%	(0.2)%
2008	(23.0)%	(34.5)%	11.5%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Return	3.0%	(3.7)%
Annualised Deviation	20.3%	22.9%
Sharpe Ratio	(0.36)	(0.61)
Maximum Gain	25.1%	23.0%
Maximum Drawdown	(38.6)%	(44.2)%
Positive Months	59.3%	51.9%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	(2.1)%	1.9%	0.3%										0.0%
Fund 2009	(0.9)%	(6.6)%	6.4%	5.4%	11.6%	(1.2)%	10.2%	1.3%	2.7%	3.6%	(2.6)%	5.0%	38.9%
Fund 2008	7.2%	6.3%	1.0%	(1.7)%	2.6%	(7.6)%	(5.8)%	0.2%	(8.4)%	(13.4)%	(5.9)%	1.9%	(23.0)%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum: 1.50% Maximum: 3.50% Sharing Rate: 15.00%

* 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.

† Please note that the benchmark of USD 3-month LIBOR+5% p.a. has changed with effect 5 August 2008.

Total Expense Ratio (TER)²	2.20% per annum, which includes a performance fee of 0.02%
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When applicable, Coronation shares in the fund performance above the benchmark. 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 positive return in line with or below the benchmark, the minimum fee will be levied.

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

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Country	31 Mar 2010
Equities	84.46%
China	19.50%
South Africa	11.58%
Brazil	9.63%
Mexico	9.38%
Russia	5.86%
Turkey	5.45%
United States	4.53%
Israel	4.15%
Chile	3.23%
Thailand	3.09%
Other	8.05%
Cash	15.54%
ZAR	7.50%
Other	4.88%
USD	2.74%
HKD	0.42%

TOP 10 HOLDINGS

As at 31 Mar 2010	% of Fund
MTN Group Ltd (South Africa)	7.0%
Sohu.com Inc (China)	4.7%
OAO Gazprom Reg (Russia)	4.7%
China Dongxiang Group Co (China)	4.5%
Naspers Ltd (South Africa)	4.2%
China Mobile Ltd (China)	3.2%
Turkiye Garanti Bankasi (Turkey)	3.2%
Netease.com Inc (China)	2.8%
Teva Pharmaceutical Industries Ltd (Israel)	2.8%
Qualcomm Inc (United States)	2.7%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2009	01 Oct 2009	0.12	0.11	0.01
30 Sep 2008	01 Oct 2008	0.93	0.91	0.02

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.

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 is quoted from Morningstar as at 31 March 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 December 2009. 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.