

PORTFOLIO MANAGER COMMENTARY

The Coronation World Equity ZAR Fund of Funds returned 2.71% (in US dollar terms) for the quarter, against 3.4% from the benchmark MSCI World Index. For a rolling 12-month period, the fund's return of 46.1% is behind the benchmark's 53.2%.

The first quarter was dominated by increasing concerns over sovereign credit risks. After Dubai in late 2009 the so-called PIIGS (Portugal, Ireland, Italy, Greece and Spain), led by Greece, tested the credit markets and the unity of the European Union. Despite Greece putting in place the required 'austerity package' of budget cuts, political wrangling amongst its European partners failed to convince the market that the Union would provide a bail-out package. Ultimately, a deal which included the IMF was agreed upon but at the time of writing in early April, this too appeared to be in jeopardy. In addition, US President Obama also shocked the market in early January with the announcement of a 10-year tax for banks and a number of other harsh regulatory proposals. However, it was not all bad news and, after a volatile start to the quarter, the markets took encouragement from continued signs of economic recovery and the ongoing favorable monetary policy environment to recover strongly in March.

In terms of regional equity performance, Japan was the best performing region rising 8.3% (in US dollar terms). North America also had a strong month ending up 5.5%. Asia ex-Japan returned 3.1% while a weakening euro resulted in a negative 1.7% for Europe (in US dollar terms). The fund's regional positioning was therefore the main driver of the relative underperformance for the quarter.

The managers as a whole also detracted slightly from performance but this was based on a combination of mixed performance. The Asia managers were all behind their benchmark, most notably Prusik Asia which had a very poor quarter, performing badly in both bull and bear markets despite being conservatively positioned and cautious. UOB Kinetics and Ruffer European also marginally detracted from performance.

The Cantillon Global Equity fund had a very strong quarter, returning 6.7% compared to the MSCI World's return of 3.4%. The two Legg Mason US funds also had excellent quarters, both beating the S&P 500 Index although the Smaller Companies fund benefitted from strong rally in small capitalization stocks.

We made a number of changes to the portfolio during the quarter. We redeemed Prusik Asia and Comgest Nouvelle Asie in full and made sizable redemptions from UOB Kinetics Paradigm and Edinburgh Partners Global. These redemptions were partly due to performance issues but also due to our wish to change our regional exposures. The proceeds were primarily invested in two new funds with some being used to top up existing investments such as Veritas Asia.

The first new fund is Contrarius Global Equity funds, run by Stephan Mildenhall. This is the UCITS version for his global offering after he launched a Jersey domiciled fund in January 2009 with stunning success. The second fund was Coronation's Global Emerging Market fund which has a strong two-year track record and gives exposure to emerging markets other than just Asia, namely Russia, Africa and South America.

Outlook

We are clearly of the opinion that international equities offer the best relative attractions when compared to the alternatives of bonds or cash. The equity markets concerns regarding both the threat of stimulus withdrawal on global economic activity and the viability of public finances are masking the attractions of many companies. The equity market rating of these companies still fails to capture their strong fundamentals and, as suggested by the corporate bond market, this seems an unsustainable valuation relative to global bond markets. We would anticipate that this discrepancy will narrow as these characteristics continue to translate into attractive cash returns to shareholders in the form of dividends.

Equity prices will not repeat last year's dramatic rally for a long time, and there will of course be falls from time to time – sometimes even sharp ones. That said, we remain convinced that the poor equity returns over the past 10 years will not be an enduring trend. We predict that in 10 years' time the compound returns from equities will be well ahead of that received by government bond holders.

Portfolio manager

Tony Gibson

CORONATION WORLD EQUITY [ZAR] FUND OF FUNDS

CLASS A as at 31 March 2010

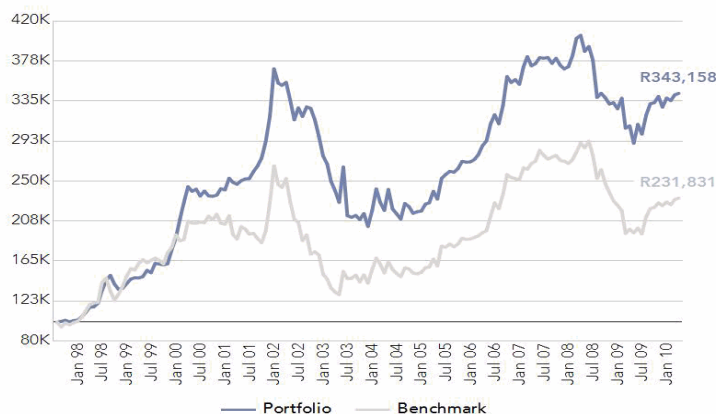
CORONATION
FUND MANAGERS

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 R802.16 million
NAV 3193.49 cents
Benchmark/Performance Fee Hurdle MSCI World Index (Rands)
Risk profile Cons Mod Aggr

PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 Mar 2010
Equities	88.4%
Europe (4 Funds)	32.6%
Global (4 Funds)	20.2%
North America (2 Funds)	16.5%
Japan (2 Funds)	10.2%
Asia (1 Fund)	8.9%
Cash	4.2%
Foreign	3.4%
Domestic	0.8%
Others	7.4%
North America (1 Fund)	7.4%

PERFORMANCE FOR VARIOUS PERIODS - ZAR RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	243.2%	131.8%	111.3%
Since Inception (annualised)	10.2%	6.9%	3.4%
Latest 5 years (annualised)	7.5%	6.8%	0.7%
Latest 3 years (annualised)	(2.7)%	(4.8)%	2.1%
Latest 1 year (annualised)	11.2%	16.7%	(5.4)%
Year to date	1.5%	1.8%	(0.3)%
2009	3.5%	1.6%	1.9%
2008	(12.0)%	(16.6)%	4.5%
2007	5.3%	7.0%	(1.7)%
2006	30.5%	33.2%	(2.7)%

TOP 5 HOLDINGS

As at 31 Mar 2010

Cantillon GV Fund E-Series E1
Legg Mason US Equity Fund B
Edinburgh Partners European Opportunity Fund
Coronation Global Emerging Markets Fund
Veritas Asian Fund

PERFORMANCE FOR VARIOUS PERIODS - USD RETURNS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	116.8%	46.5%	70.3%
Since Inception (annualised)	6.3%	3.1%	3.2%
Latest 5 years (annualised)	4.2%	3.5%	0.7%
Latest 3 years (annualised)	(2.8)%	(4.9)%	2.1%
Latest 1 year (annualised)	46.1%	53.2%	(7.2)%
Year to date	3.0%	3.4%	(0.3)%
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	16.8%	18.6%
Sharpe Ratio	(0.06)	(0.24)
Maximum Gain	51.7%	51.3%
Maximum Drawdown	(45.3)%	(51.4)%
Positive Months	60.5%	53.3%

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%										1.5%
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)%	(12.0)%

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 LISP's as a payment for administrative and distribution services.

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.

Total Expense Ratio (TER)² 2.94% per annum, which includes a performance fee of 0.01%

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 return in line with or below the benchmark for the relevant 12-month period, the minimum fee of 1.40% applies. For further information regarding our fee structure please contact us or visit our website.

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.