

Whereas the calendar year started slowly for equity markets around the world, the month of March brought lots of joy. This resulted in respectable returns from these markets over the first three months of 2010. The MSCI World Index returned 3.4% over the period, with developed equity markets actually outperforming emerging markets for the first time since the rebound started. Within developed markets Japan and the United States outperformed Europe by some margin. Unfortunately for rand investors, a lot of this excitement was lost in the currency translation due to rand strength. The rand strengthened by 1.5% over the quarter against the US dollar, and by a whopping 6.7% against the euro.

The fund returned 0.1% in US dollar terms over the quarter - a somewhat disappointing number. Since inception the fund has now returned 18.4% (annualised), a number that we continue to warn is not sustainable in the longer term. Over the last 12 months, the fund return was a very strong 29.1% in US dollars. The picture in rand terms looks very different due to the unbelievable strength in the currency since the credit crisis stabilised: in rand terms, the fund returned -1.4% over the quarter, -1.7% over the last 12 months, and -3.7% per annum since inception.

The fund's equity selection did well, with some of the cyclical shares performing the best. Very few of the shares returned negative numbers over the quarter. The strongest individual positions were CVS Caremark and Japan Tobacco, whereas Telefonica and Heidelberg Cement detracted the most.

Property added slightly, as did the physical gold position and our fixed interest positions, which are all based on credit views. The big disappointment has been our positions in natural gas, corn and wheat, which continued to disappoint. In a world of scarce resources, we continue to hold a positive view on these commodity prices and expect these positions to contribute positively to fund returns. Agricultural harvests react quickly to changes in price, and we are firm believers in the notion of scarcer food supply into the future.

We have not made big changes over the period to the fund structure. We added to the physical gold position into weakness, added a bit of exposure to property, and continued to add to our equity positions in cases where our conviction levels increased. Subsequent to quarter end we introduced a few new equity positions into the fund.

Investors around the world are embracing risk again. Whereas the economic outlook for many of the troubled economies has improved over the last few months, one has to be wary in terms of how much of this good news has already been priced into financial markets. We will continue to be true to the absolute return objectives of the fund in our future dealings.

**Portfolio managers**

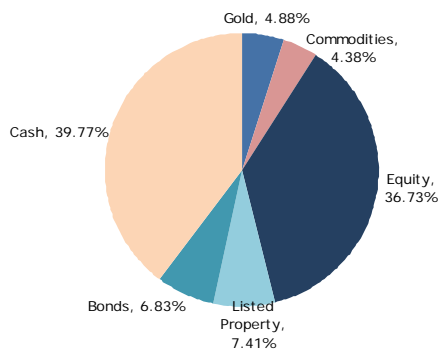
Tony Gibson and Louis Stassen

<b>Fund category</b>	Foreign Asset Allocation Flexible
<b>Fund description</b>	Aims to provide long-term capital growth by investing in the best global investment ideas.
<b>Launch date</b>	1 November 2008

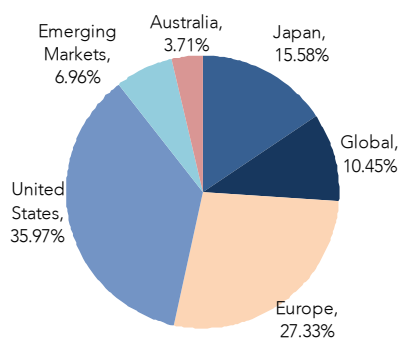
<b>Portfolio managers</b>	Tony Gibson and Louis Stassen
<b>Fund size</b>	R60.14 million
<b>NAV</b>	98.77 cents
<b>Benchmark</b>	50% USD 3 month LIBOR and 50% 3 month EURIBOR

## PORTFOLIO DETAIL

## EFFECTIVE ASSET ALLOCATION EXPOSURE



## REGIONAL EQUITY EXPOSURE



## CURRENCY ALLOCATION

Currency	% of Fund
US Dollar	60%
Other Asian	20%
Euro	10%
British Pound	10%

## MONTHLY PERFORMANCE RETURNS (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2010	0.4%	1.1%	-3.0%									
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%
Fund 2008											0.8%	-2.7%

## FEES (excl. VAT)

<b>Initial Fee</b>	Coronation: 0.00%
	Discounted: 0.75%
<b>Annual Management Fee - performance related</b>	Standard: 1.50%
	Maximum: 2.50%
	Sharing rate: 10%

## INVESTMENT OBJECTIVE

The fund provides investors with access to the best investment ideas from around the world, with the aim of achieving long-term capital growth. It blends individual asset selection with limited exposure to some of the best global investment managers to reflect Coronation's view across asset classes, regions and currencies. Our objective is to achieve real returns on capital in US dollars over a 3 – 5 year period.

## INVESTMENT MANDATE

As a global flexible fund with a developed market bias, the portfolio is constructed from the bottom up, based on the valuation prospects of individual assets and the various asset classes globally. No more than 20% of the fund is invested with other investment managers and all managers are subject to ongoing performance and risk analysis. In addition, the fund may invest in exchange traded funds where appropriate. A minimum of 85% of the fund's assets is invested offshore.

PERFORMANCE AND RISK STATISTICS<sup>1</sup>

## PERFORMANCE FOR VARIOUS PERIODS

ZAR Return	Fund	Mean of Category	Benchmark
Since inception	-3.7%	-5.7%	-15.7%
Latest 1 year (annualised)	-1.7%	1.7%	-22.4%

USD Return	Fund	Mean of Category	Benchmark
Since inception	18.4%	16.0%	3.6%
Latest 1 year (annualised)	29.1%	33.5%	1.9%

## RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	12.6%	13.2%
Sharpe ratio	-1.01	-1.89
Maximum gain	7.8%	4.3%
Maximum drawdown	-14.4%	-25.7%
Positive months	52.9%	41.2%

## Total Expense Ratio (TER)

3.01% per annum, which includes a performance fee of 0.59%

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 performance fee hurdle, a standard minimum fee will be levied. If the fund produces a negative return 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.

## 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.