

## PORTFOLIO MANAGER COMMENTARY

The fund returned 5% (in US dollar terms) for the quarter, against 7.7% from the benchmark MSCI World Index. For a rolling 12-month period, the fund's return of -7.6% is lagging the benchmark return of -5.0%.

The quarter was again dominated by the ongoing European sovereign debt crisis. The new governments in Greece, Spain and Italy provided impetus to fiscal austerity in those countries, but an attempt to create greater fiscal unity within Europe was struck down by a British veto, and an agreement between the other 26 nations appears increasingly uncertain. Globally the crisis weighed heavily on sentiment and markets, however economic data from the US is moving in the right direction and is expected to improve in 2012, an election year.

In terms of regional equity performance, North America was the best performing region over the quarter, rising a strong 11.1%. Japan performed the worst, falling 3.9% (in US dollar terms), while Asia ex-Japan and Europe rose by 6.0% and 5.5% respectively (in US dollar terms). The fund's regional positioning had a significant negative impact on overall performance over this period.

The managers were also a significant detraction from overall performance. After a poor final quarter of 2011, Cantillon Global sacrificed some of their exceptional performance delivered in the third quarter of the year. Despite strong relative performance to its benchmark, the Coronation Global Emerging Markets Fund also had a negative impact on our fund's performance. Morant Wright Japan had a weak three-month period, finishing well behind their benchmark.

Vulcan Value Partners, however, comfortably beat the MSCI World Index with a return of 12% for the quarter.

During the 3-month period, we redeemed the Edinburgh Partners Europe Fund.

**Outlook**

2011 was a tough year for active, valuation-driven managers such as those with whom we place capital. With market volatility at extreme levels and short-term momentum dominating stock prices, our managers were unable to generate their historical levels of return. However, equity markets remain attractively priced and we are confident that our managers will provide good returns once some semblance of normality returns. This may not happen in the short to medium term as Europe continues to resolve its crisis, but there are some signs that conditions are improving, particularly in the US.

**Portfolio manager**

Tony Gibson

# CORONATION WORLD EQUITY [ZAR] FUND OF FUNDS

CLASS A as at 31 December 2011

**CORONATION**  
FUND MANAGERS

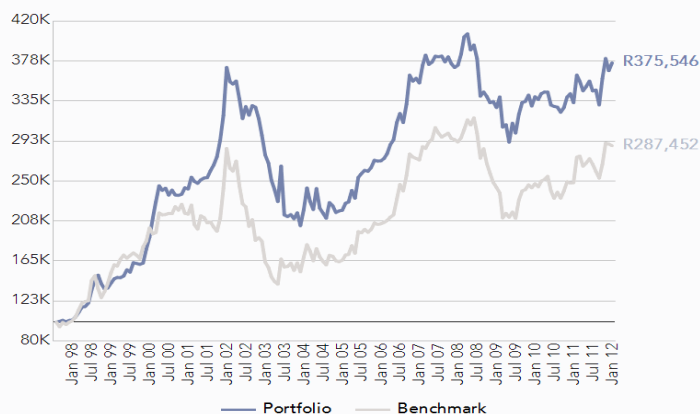
**Fund category** Foreign - Equity - General  
**Fund description** Aims to achieve long-term capital growth that exceeds the MSCI World Index in dollar terms while ensuring lower volatility of returns, particularly on the downside, than conventional index-linked equity portfolios.  
**Launch date**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

**Fund size** R 1.18 billion  
**NAV** 3481.16 cents  
**Benchmark/Performance Fee Hurdle** MSCI World Index (Rands)  
**Risk profile**



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

### GROWTH OF A R100,000 INVESTMENT



## PORTFOLIO DETAIL

### GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	31 Dec 2011
<b>Equities</b>	<b>97.9%</b>
Europe (4 Funds)	34.7%
Global (2 Funds)	33.7%
North America (2 Funds)	22.7%
Japan (1 Fund)	6.7%
<b>Cash</b>	<b>2.1%</b>
Foreign	1.6%
Domestic	0.5%

### PERFORMANCE FOR VARIOUS PERIODS - ZAR RETURNS

	Fund	Benchmark	Outperformance
Since Launch (unannualised)	275.6%	187.5%	88.1%
Since Launch (annualised)	9.6%	7.6%	2.0%
Latest 10 years (annualised)	0.1%	0.1%	N/A %
Latest 5 years (annualised)	1.2%	1.1%	0.1%
Latest 3 years (annualised)	4.6%	5.7%	(1.1)%
Latest 1 year (annualised)	12.7%	15.8%	(3.1)%
Year to date	12.7%	15.8%	(3.1)%
2010	(1.8)%	0.5%	(2.3)%
2009	3.5%	1.6%	1.9%
2008	(12.1)%	(16.6)%	4.5%

### TOP 5 HOLDINGS

As at 31 Dec 2011

Contrarius Gbl Eqty Fund
Cantillon GV Fund
Coronation Global Emerging Markets Fund
Vulcan Value Partners Fund
Veritas Global Equity Fund-Ned

### PERFORMANCE FOR VARIOUS PERIODS - USD RETURNS

	Fund	Benchmark	Outperformance
Since Launch (unannualised)	113.6%	64.1%	49.4%
Since Launch (annualised)	5.4%	3.5%	1.9%
Latest 10 years (annualised)	4.2%	4.2%	N/A %
Latest 5 years (annualised)	(1.7)%	(1.8)%	0.1%
Latest 3 years (annualised)	10.6%	11.8%	(1.2)%
Latest 1 year (annualised)	(7.6)%	(5.0)%	(2.5)%
Year to date	(7.6)%	(5.0)%	(2.5)%
2010	9.7%	12.3%	(2.6)%
2009	33.2%	30.8%	2.4%
2008	(37.1)%	(40.3)%	3.2%

### RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.3%	18.1%
Sharpe Ratio	(0.06)	(0.17)
Maximum Gain	51.7%	53.2%
Maximum Drawdown	(45.3)%	(50.7)%
Positive Months	59.0%	53.2%

### MONTHLY PERFORMANCE - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	8.8%	(1.8)%	(2.8)%	1.3%	1.7%	(2.9)%	0.2%	(4.5)%	8.4%	6.0%	(3.4)%	2.3%	12.7%
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%

### FEES (excl. VAT)

<b>Initial Fee</b>	Coronation: 0.00%
<b>Annual Management Fee - performance related*</b>	Minimum: 1.35% Maximum: 3.00% 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. 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. Please note that the fees have been adjusted, with effect 1 May 2011. For further information regarding our fee structure please contact us or visit our website.

<b>Total Expense Ratio (TER)<sup>2</sup></b>	3.05% per annum, which includes a performance fee of 0.02%
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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).

<sup>1</sup>Performance as calculated by Coronation as at 31 December 2011 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. <sup>2</sup>The 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 2011. 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.