

PORTFOLIO MANAGER COMMENTARY

The volatility in global markets continued as 2011 came to a close, with the MSCI World Index ended the year -5.0% in US dollars and the MSCI Emerging Markets Index performing substantially worse than this, being -18.2% in US dollars for the year. Once again, government bonds delivered the standout performance, with the Citigroup Global Government Bond Index appreciating by 5.7% during the year. Against this backdrop the fund was marginally negative for the year (-2%), and 1.7% behind its benchmark (60/40 global equity/bonds), all of this due to the fund having a 0% weighting in government bonds. The equity portion of the fund actually outperformed the MSCI World Index by 6.3% for the year.

Our view for the past two years has been that global equities are far more attractive than domestic equities, and we continue to hold this view. Global equities significantly outperformed South African equities in 2011 (by over 13% in US dollars or ZAR) and we expect this outperformance to continue in the years ahead.

The table below shows the most recent sales growth and earnings growth for seven of the fund's holdings. The figures shown are for the quarter ended September 2011 and show year-on-year growth. While we are not interested in one quarter's earnings, the table below provides a counter-argument to the oft made statement that 'Europe and the world is a mess, why should I invest in equities now?' The fact is that many companies continue to do very well, even though the world is a mess. This is very clear from the table below: five of the seven companies grew their revenue by at least 25% year on year and six of the seven grew their earnings by 25% or more! Each company's individual fundamentals are different to that of the next company.

Company	Country	Industry	Sales Growth %	EPS Growth %
Mastercard	US/Global	credit card processing	27%	43%
Google	US/Global	internet	33%	24%
Sohu.com	China	internet	42%	16%
Great Wall Motor	China	motor vehicles	25%	29%
Dominos Pizza	US/Global	fast food	8%	30%
Apple	US/Global	technology	39%	51%
DirecTV	US/LATAM	pay-tv	14%	27%

The point is that one cannot simply conclude that because the world is a mess one should not invest in equities. In fact, the opposite is typically the case: the best time to invest is when the outlook is gloomy. Basing investment decisions on TV or newspaper headlines is probably one of the worst investment 'strategies' around. Yet time and again one hears this 'messy world/don't want to invest' argument. In a year when the MSCI World Index declined by 5%, the share prices of six of the seven companies in the table below appreciated. The two standouts were Domino's Pizza, which appreciated by an incredible 112% in 2011 (we have since sold this position) and Mastercard which appreciated by 67% in 2011 (we still have this position as we believe Mastercard remains undervalued even after this appreciation). These two examples yet again point to the fact that one can't come to a one-line conclusion on equities: one must evaluate each and every business on its own and make an investment decision on that particular equity.

Google and Apple are both Top 5 holdings in the fund today. While we own a number of technology stocks (including Microsoft, Cisco and Symantec), it is Apple and Google who are seen as being the more 'sexy' (and hence overvalued) stocks. Our view is different – firstly we believe that Google and Apple are higher quality businesses than your average technology company and have better long-term prospects due to the large potential markets that they serve, and secondly we believe that both are actually very attractively valued.

Google dominate the online search market and the resultant advertising spend that is increasingly shifting from paper to online. Many countries around the world are still in their infancy with regards to the shift in adspend from newspapers/magazines to the internet. In our view, this structural shift will continue for many years to come. In large part due to this shift, Google managed to grow their revenues year on year by 33%, and earnings by over 20% (see table) during the period when the European crisis accelerated (July-Sep 2011). Google is also now truly a global business, with over half their revenue coming from outside the company's home market, the US. The company also has an extremely strong balance sheet, with net cash of around \$40 billion and free cash flow generation of around \$10 billion a year, which results in an ever increasing cash balance. Whilst there are of course risks to the business, at current share price levels Google trades on around 13x 2012 earnings excluding the net cash balance (which earns close to nothing due to low interest rates). At these levels, we believe the risk reward is in one's favour.

Apple has a number of key similarities with Google: a strong position in what is a massive and growing end-market (online advertising in the case of Google and smartphones/tablets in the case of Apple), a strong balance sheet (\$80 billion in net cash already and free cash flow generation of well over \$30 billion a year), a global presence (60% of revenues from outside the US) and an attractive valuation (less than 9x this year's earnings excluding the net cash position). Apple has become a very big and profitable business, and while it will undoubtedly become harder for the company to grow revenues and profits from current levels, the penetration rates of Apple's products is still very low with plenty of room to grow. For example, Apple currently only has 5% market share of the global cellphone market and within the cellphone market, smartphones are rapidly taking share from traditional handsets. Additionally, Apple only has 5% market share in the PC market (through the Apple Mac) and in turn the tablet market (iPad and similar) is still only a small percentage of the overall PC/laptop market. The death of the visionary Steve Jobs is undoubtedly a negative, however most of the key senior management team have been with the company since the late 90s and additionally the Apple platform and core products have already been established. Like Google, there are risks facing Apple, but at the current effective single-digit multiple, we believe that the risk-reward profile is very attractive.

We continue to find very good value in global equities (Google and Apple being just two examples) and as a result the equity exposure of the fund (73%) is close to the maximum that we anticipate for the fund (75%). We are also finding selected good value in listed property, particularly in Asia, where the fund's holdings typically yield between 6% and 8% and trade below NAV. Approximately 7.5% of the fund is invested in property stocks. We remain negative on government bonds (due to low unsustainable yields/high valuations) and therefore have no exposure. The fund has some corporate bond exposure (3.5% of fund) where we feel the high single-digit yields compensate one for the risk of derating.

Portfolio manager

Gavin Joubert

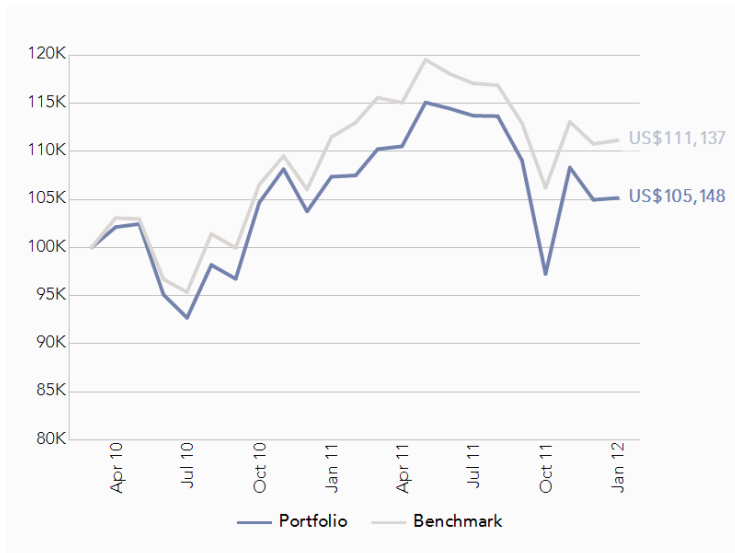
CORONATION GLOBAL MANAGED [USD] FUND

A sub-fund of the Coronation Global Opportunities Fund domiciled in Ireland
as at 31 December 2011

Currency	USD	Fund size	US\$82.63 million
Minimum Investment	US\$15,000.00	Benchmark	Composite: 60% MSCI World Index & 40% Citigroup World Government Bond Index.
Launch date	01 March 2010	Liquidity	Daily
Portfolio manager/s	Tony Gibson, Gavin Joubert, Karl Leinberger, Stephen Peirce and Louis Stassen	Notice period	1 business day preceding dealing day
Annual management fee *	1.35%	Redemption payout	3 days after dealing day
Annual outperformance fee	20% of returns above the benchmark with a 1.65% cap	Bloomberg	CORGMFA ID
Fund domicile	Ireland	ISIN	IE00B3PR9321
Listing	Irish Stock Exchange	SEDOL	B3PR932
TER	2.47%	Fund Class	A
Performance Fee Compon	0.81% (Included in TER)		

PERFORMANCE AND RISK STATISTICS

GROWTH OF A \$100,000 INVESTMENT



PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

Sector	31 Dec 2011
Equities	73.0%
North America	34.9%
Europe	12.5%
Asia	11.2%
United Kingdom	9.5%
Latin American	5.1%
Japan	0.8%
South Africa	(1.0)%
Commodities	0.6%
North America	0.6%
Property	8.0%
Asia	5.5%
Japan	1.4%
Europe	1.1%
Bonds	3.8%
Europe	3.8%
Cash	14.6%
Other	8.9%
USD	3.5%
ZAR	2.2%

RISK AND RETURNS VS BENCHMARK

	Fund	Benchmark	Outperformance
Since Launch (unannualised)	5.1%	11.1%	(6.0%)
Since Launch (annualised)	2.8%	5.9%	(3.2%)
Latest 1 year (annualised)	(2.1%)	(0.3%)	(1.8%)
Year to date	(2.1%)	(0.3%)	(1.8%)
Annualised Deviation	16.9%	12.8%	
Sharpe Ratio	(0.20)	(0.02)	
Maximum Gain	11.8%	9.6%	
Maximum Drawdown	(15.5%)	(11.1%)	
Positive Months	54.5%	45.5%	

TOP 10 HOLDINGS

As at 31 Dec 2011	% of Fund
Vodafone Group Plc	3.8%
Google Inc	3.8%
Great Wall Motor Company Ltd	3.0%
Safeway Inc	2.9%
Community Health Systems	2.8%
Apple Inc	2.7%
Anhanguera Educac Part	2.6%
Sohu.Com Inc	2.6%
Tesco Plc	2.5%
PPR	2.5%

RISK AND RETURNS VS MSCI WORLD

	Fund	MSCI World
Since Launch (unannualised)	5.1%	9.7%
Since Launch (annualised)	2.8%	5.2%
Latest 1 year (annualised)	(2.1%)	(5.0%)
Year to date	(2.1%)	(5.0%)
Annualised Deviation	16.9%	19.4%

MONTHLY PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	0.1%	2.5%	0.3%	4.1%	(0.6)%	(0.6)%	0.0%	(4.0)%	(10.8)%	11.4%	(3.1)%	0.2%	(2.1)%
Fund 2010			2.1%	0.3%	(7.2)%	(2.5)%	5.9%	(1.5)%	8.2%	3.3%	(4.1)%	3.5%	7.4%

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