

PORTFOLIO MANAGER COMMENTARY

Despite ongoing volatility in global markets, the fund delivered a good performance in the first half of the year, appreciating by 7.95% (in ZAR). In USD, which we believe to be the more relevant measure, the fund generated a return of 5.69% year to date. Since the fund launched in October 2009 it has generated an annualised return of 11.7% in USD. This places it amongst the five top performing global balanced funds in the Foreign Asset Allocation Flexible unit trust category. Since launch, the fund's return is also around 1% p.a. (in US dollars) ahead of its benchmark, which is a 60/40 mix of the MSCI World and Citigroup Global Bond indices.

We currently view global equities to be the most attractive asset class by far and the fund's equity exposure of around 73% reflects this fact. As reference points, we would expect the average equity exposure over a five-year cycle to be around 65% and the maximum equity exposure to be 75%. After 10 year's of global share prices being flat (at a time when earnings have grown significantly), valuations have contracted and as a result one can buy very high quality US or global businesses on very attractive ratings. The list of opportunities is long, but a sample of the fund's current top 10 holdings provides some flavour in this regard.

- HEINEKEN is the world's third largest brewer (after Anheuser-Busch Inbev and SABMiller). It is the global leader within the high margin premium sector and fast-growing emerging markets contribute 50% of its revenue. In addition to a revenue line that in our view will show decent growth over the next few years, we don't believe the company has been managed efficiently from a cost point of view but that this is beginning to change. We therefore expect operating margins to improve substantially over the next few years. Despite these positive fundamentals, Heineken trades on just 12.5x the free cash flow we believe it will generate over the next one-year period.
- SAFEWAY is the third largest supermarket retailer in the US (after Walmart and Kroger). Between 2004 and 2008, the company invested heavily in store improvement which is now largely complete. As a consequence the business is generating significant amounts of free cash flow. Operating margins are at 20-year lows and the company should benefit from rising inflation in the US. Safeway also continues to buy back large amounts of its own (undervalued) shares. Yet, one can currently buy the shares on less than 10x free cash flow.

- VODAFONE is one of the largest mobile telecommunications companies in the world. While mobile penetration is very high in most of the markets it operates in, we are very positive on the prospects for mobile data which we believe should result in some acceleration of revenue. In addition to this Vodafone currently receives no dividends from its US business (Verizon Wireless), though we believe it is just a matter of time before this will change. As a result large additional cashflows are likely to head Vodafone's way soon and a substantial part of this could be returned to shareholders in the form of increased dividends or share buy-backs. Vodafone today trades on less than 10x free cash flow and on a dividend yield of around 5.5% which we feel is very attractive given the factors mentioned above.

We acknowledge that there are still many uncertainties in the world (e.g. Greece's debt problem, US deficit, weak global economic growth and inflation risks globally). We however continue to find valuations of many global equities very attractive and, as always, valuation overrides everything else. In addition to this, the five-year free cash flow streams of businesses like Heineken, Safeway and Vodafone are unlikely to be too affected by global economic outcomes, yet the share prices continue to languish, and indeed move down on any bit of negative economic newsflow. This is in our view the function of markets that are dominated by short-term focused 'investors' who think in terms of months and not years. At the same time this provides opportunity for a more patient investor.

Besides global equities, we also feel that a number of listed property stocks are attractive and we added to the fund's holdings in this area, with the result that around 5.5% of the fund is invested in listed property. The focus of the fund's investment is in Asia (Singapore in particular and to a lesser extent Japan and Australia) and the average yield of the fund's holdings is north of 6% and most of the holdings are trading at or below net asset value.

We believe that globally government bonds have benefited from a flight to safety and as such are overvalued. This ranges from US to German to UK government bonds. As a result the fund currently has zero exposure to government bonds as we feel they present a high probability of capital loss. A small portion of the fund (4%) is invested in selected corporate bonds where we feel the yield compensates one for de-rating risk.

Overall we are very optimistic on the outlook for returns from the fund and believe that given current valuation levels, a 10% - 11% p.a. return in USD from the fund over the next few years is well within reach.

Portfolio manager
Gavin Joubert

CORONATION GLOBAL MANAGED [ZAR] FUND

CLASS A as at 30 June 2011

CORONATION
FUND MANAGERS

Fund category Foreign - Asset Allocation - Flexible
Fund description Diversified exposure to global assets with a focus on maximising returns over the long term.
Launch date 29 October 2009
Portfolio manager/s Gavin Joubert

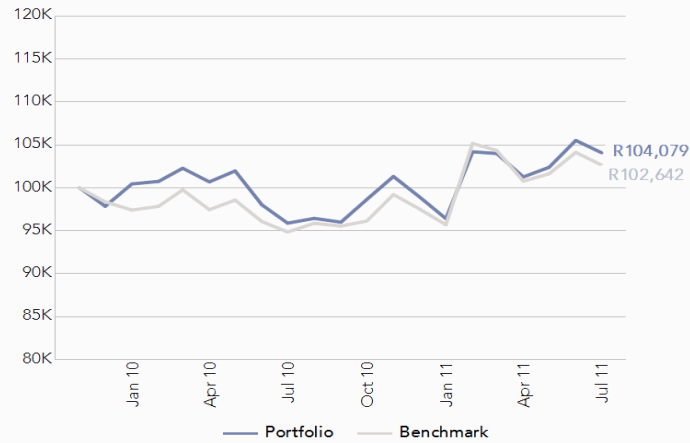
Fund size R254.80 million
NAV 103.51 cents
Benchmark/Performance Fee Hurdle Composite: 60% MSCI (TR) Index & 40% Citigroup World Government Bond Index

Risk profile



PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2011
Equities	74.4%
North America	41.5%
Europe	20.6%
Asia	9.8%
Japan	2.5%
Latin American	1.5%
South Africa	(1.5)%
Commodities	1.7%
North America	1.7%
Property	5.4%
Asia	3.3%
Europe	1.2%
Japan	0.9%
Bonds	4.0%
Europe	4.0%
North America	0.0%
South Africa	0.0%
Cash	14.5%
Other	5.8%
USD	4.6%
ZAR	4.0%

RISK AND RETURNS VS BENCHMARK (ZAR)

	Fund	Benchmark	Outperformance
Since inception (unannualised)	4.1%	2.6%	1.4%
Since inception (annualised)	2.4%	1.6%	0.9%
Latest 1 year (annualised)	8.5%	8.2%	0.3%
Year to date	8.0%	7.2%	0.7%
Annualised Deviation	9.7%	10.0%	
Sharpe Ratio	(0.43)	(0.5)%	
Downside Deviation	3.8%	3.0%	
Positive Months	50.0%	45.0%	

TOP 10 HOLDINGS

As at 30 Jun 2011	% of Fund
Safeway Inc	3.6%
Great Wall Motor Company Ltd	3.6%
Vodafone Group Plc	3.2%
Microsoft Corp	2.6%
Heineken Holdings Ltd	2.4%
Tesco Plc	2.3%
Google Inc	2.3%
Apple Inc	2.3%
MasterCard Inc	2.3%
Interpublic Group	2.3%

PERFORMANCE FOR VARIOUS PERIODS (USD)

	Fund	Benchmark	Outperformance
Since inception (unannualised)	20.2%	18.6%	1.7%
Since inception (annualised)	11.7%	10.8%	0.9%
Latest 1 year (annualised)	23.1%	22.7%	0.4%
Year to date	5.7%	5.0%	0.7%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2010	01 Oct 2010	0.12	0.12	0.00

MONTHLY PERFORMANCE - ZAR RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	8.1%	(0.2)%	(2.6)%	1.1%	3.1%	(1.4)%							8.0%
Fund 2010	0.3%	1.5%	(1.6)%	1.3%	(3.9)%	(2.2)%	0.6%	(0.5)%	2.8%	2.7%	(2.3)%	(2.6)%	(4.0)%
Fund 2009											(2.2)%	2.7%	0.5%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum: 1.35% Maximum: 3.00% Sharing Rate: 20.00%

* A portion of Coronation's annual management fee may be paid to administration platforms like USP 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.

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 as calculated by Coronation as at 30 June 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. 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. 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.

Total Expense Ratio (TER)² 1.92% per annum, which includes a performance fee of 0.05%

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.