

PORTFOLIO MANAGER COMMENTARY

The year has started out eventfully with much focus on recent turmoil in the Middle East and North Africa and, to a lesser extent, the fallout from the natural disasters in Japan. These major global events have had a substantial impact on markets, with large swings in sentiment and valuation occurring. The fund had an excellent quarter, outperforming the benchmark MSCI Emerging Markets Index (expressed in rands) by 2.3%. Although this performance is very pleasing, we believe a longer term measurement period is more appropriate for comparing returns. Since inception in December 2008, the fund has returned 4.9% (in rands) versus 0.3% for the benchmark.

The MSCI Emerging Markets Index trades at 11.5 times this year's earnings, but this disguises large differences in valuation between certain sectors. Broadly speaking, commodity and resource-related sectors are trading at low multiples, but on earnings that are temporarily inflated by commodity prices that are above what we consider sustainable in the long term. At the opposite end of the spectrum, many consumer facing businesses are trading at valuations that can only be justified if they achieve earnings growth of 20% or more for many years to come.

We believe that in this environment a long-term investment horizon that is premised on paying reasonable multiples on sustainable 'normal' earnings is of critical importance in order to avoid buying businesses that appear cheap, but whose earnings are temporarily elevated, or that require unrealistic future profit growth in order to justify an investment today. We are confident that, on the whole, we are able to find sufficient investment opportunities for the fund. This is reflected in the equity proportion, which ranged consistently between 85% - 90% during the quarter.

Our holdings in Chinese internet-related stocks have performed exceptionally well. Sohu and Netease were 8.2% of fund at the start of 2011 and returned 45% and 31% respectively (in rands) for the quarter. We used the opportunity to halve our exposure to these companies and buy two other Chinese internet (animated) gaming stocks. Both new additions trade at less than 10 times earnings adjusting for their sizeable cash balances. Online gaming businesses are highly cash generative as users typically pre-purchase the virtual 'currency' that they then redeem during gameplay to access premium features. Successful games attract large, loyal followings and can remain fashionable for several years, giving the developer a window to develop and test new offerings.

We also introduced Tsingtao, the second largest brewer in China behind CRE (which the fund previously held). The flagship Tsingtao brand is the only domestic premium brand in China and the country's only international beer brand.

China's beer market is the biggest in the world by volume, but only the 9th largest by total profits. This is a result of high fragmentation (every region in the country has multiple breweries) and low pricing (entry level beer is cheaper and has a lower margin than bottled water). The country is in the early stages of both consolidation, where smaller brewers are absorbed by larger ones, and premiumisation, where consumers migrate from entry level beers towards higher margin premium beers. We believe that over time the profit pool will grow substantially as pricing becomes more rational and profits will be shared between fewer brewers as the big players start to dominate. This dynamic has played out countless times in every other major beer market in the world and there is no structural reason why China should be any different. Tsingtao should benefit greatly as consumers migrate upwards over time.

Elsewhere, we have spent much time looking at the Indian market, including a recent trip to India where we met with more than 40 companies. For much of the period since the fund launched, India has appeared expensive relative to other emerging markets, and our Indian holdings have been very limited. We do believe that the public sector banks (PSBs) offer compelling value and have added Punjab National Bank (PNB) to our existing holding in Bank of Baroda (BOB). Total PSB exposure of the fund is now at 6%. India is very underpenetrated from a banking perspective: there are over 600 000 villages and the sum total of all branches of all the banks in India comes to only 72 000 today. BOB and PNB are well respected and conservatively run, providing the opportunity to benefit from the growth in credit extension, consumer spending and infrastructure development taking place in the country. But at single digit earnings multiples they trade at a fraction of the valuation that one would pay for some of India's flagship blue chip corporate and FMCG companies.

Portfolio managers

Gavin Joubert, Mark Butler and Suhail Suleman

CLASS A as at 31 March 2011

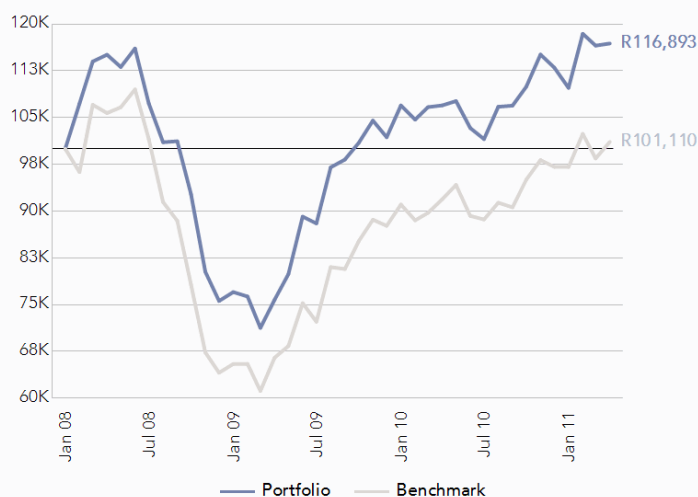
Fund category Foreign - Asset Allocation - Flexible
Fund description Aims to provide long-term capital appreciation by investing in global emerging markets.
Launch date 28 December 2007
Portfolio manager/s Gavin Joubert, Mark Butler and Suhail Suleman

Fund size R802.65 million
NAV 114.01 cents
Benchmark/Performance Fee Hurdle † MSCI Emerging Markets Index
Risk profile

9/10
Aggressive

PERFORMANCE AND RISK STATISTICS ¹

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	16.9%	1.1%	15.8%
Since Inception (annualised)	4.9%	0.3%	4.6%
Latest 3 years (annualised)	0.5%	(1.5)%	2.0%
Latest 1 year (annualised)	9.3%	10.0%	(0.7)%
Year to date	6.5%	4.2%	2.3%
2010	2.6%	6.6%	(4.0)%
2009	38.9%	39.1%	(0.2)%
2008	(23.0)%	(34.5)%	11.5%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Return	4.9%	0.3%
Annualised Deviation	18.1%	20.0%
Sharpe Ratio	(0.23)	(0.44)
Maximum Gain	25.1%	23.0%
Maximum Drawdown	(38.6)%	(44.2)%
Positive Months	59.0%	51.3%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	7.9%	(1.6)%	0.3%										6.5%
Fund 2010	(2.1)%	1.9%	0.3%	0.7%	(4.0)%	(1.7)%	5.1%	0.2%	2.8%	4.7%	(1.8)%	(2.9)%	2.6%
Fund 2009	(0.9)%	(6.6)%	6.4%	5.4%	11.6%	(1.2)%	10.2%	1.3%	2.7%	3.6%	(2.6)%	5.0%	38.9%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum: 1.50% Maximum: 3.50% Sharing Rate: 15.00%

* 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, the minimum fee will be levied.

For further information regarding our fee structure please contact us or visit our website.

Total Expense Ratio (TER)²	1.98% per annum, which includes a performance fee of 0.07%
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† Please note that the benchmark of USD 3-month LIBOR+5% p.a. has changed with effect 5 August 2008.

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Country	31 Mar 2011
Equities	87.80%
China	29.99%
Brazil	8.32%
Netherlands	7.24%
Russia	6.53%
India	5.72%
Belgium	4.33%
Korea	3.72%
South Africa	3.49%
Mexico	3.38%
Greece	3.28%
Other	11.81%
Cash	12.04%
USD	4.45%
Other	3.74%
ZAR	3.64%
HKD	0.20%

TOP 10 HOLDINGS

As at 31 Mar 2011	% of Fund
Great Wall Motor Company Ltd (China)	6.8%
Heineken Nv (Netherlands)	5.8%
OAO Gazprom Reg (Russia)	4.9%
Anheuser-Busch InBev (Belgium)	4.3%
Banco Santander (Brazil)	3.7%
Bank of Baroda (India)	3.7%
China Unicom Hong Kong Ltd (China)	3.0%
Naspers Ltd (South Africa)	2.9%
Yum Brands Inc (United States)	2.8%
Guangzhou Automobile Group (China)	2.8%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2010	01 Oct 2010	0.17	0.17	0.00
30 Sep 2009	01 Oct 2009	0.12	0.11	0.01
30 Sep 2008	01 Oct 2008	0.93	0.91	0.02

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 31 March 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 to end December 2010. 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.