

## PORTFOLIO MANAGER COMMENTARY

The first quarter of 2011 has brought a new set of challenges to financial markets. The standout event affecting markets was the tragic unfolding catastrophe in Japan during the month of March. It is important to separate the human impact and the economic impact of this event. From an economic perspective, Japan's short-term growth assumptions were reduced, but the result of the reconstruction programme may add to longer-term growth prospects in both Japan and the rest of the region.

As an indication of the volatility financial markets faced, the Japanese market fell by just over 20% over the three days subsequent to the earthquake, and rebounded by almost 19% over the following 2 weeks! Such volatility in one of the largest financial markets in the world is almost unprecedented, reflecting the fear and uncertainty facing such a large economic region. A reminder of the power of compounding reflects that a market that was down 20%, recovered by almost the same amount, but would still leave investors down 5% over the period – communicating the importance of preserving capital over periods of market volatility.

Your fund returned 2.06% (in US dollar terms) over the quarter net of all fees, a very satisfying outcome given the challenges. The MSCI World Index produced a positive 4.9%, the Global Bond Index 0.7% and global listed property performed well, producing 5.5% over the quarter. The net fund return of 6.5% over the last 12 months is more disappointing, driven by a poor second quarter of 2010, as discussed in previous reports.

The fund's equity holdings did not perform well in relative terms, but have arrested the disappointing trend of the previous two quarters. Our listed property holdings were negatively impacted by the Japanese holdings, although only one position (Japan Retail Fund) is still substantially down from its pre-quake levels. Over the last twelve months the fund has benefited hugely from its listed property positions, despite the recent setback. The position in physical gold continues to add to performance, although we did trim exposure slightly as we are starting to see it as a consensus trade. Our natural gas position continued to detract over the quarter, although did (recently) benefit from the anticipated increase in demand for LNG post the earthquake. We remain confident that the fund will profit from this position over time.

We actively added to our equity exposure, mostly by increasing exposure to Japan. While we have held a positive view of valuation levels of Japanese equities, we have (prior to recent events) not held significant exposure to that market. Given the significant change in pricing, we have also shifted some of our US exposure into Japan – on a see-through basis exposure to Japan is now approximately 15%. We also added to our property exposures, particularly in Singapore and Australia. And towards the end of the quarter swapped some direct equity exposure for call options on the US market, thereby limiting our downside without losing too much potential upside participation. The implied volatility cost of these options is very low relative to history. We maintain our view on fixed interest, and will only materially change the fund holdings should global bonds sell-off significantly.

Within the direct equity positions, the fund remains biased towards defensive businesses like Heineken, Tesco, Vodafone and Imperial Tobacco, but has some exposure to the more cyclical shares like Cisco, CVS Caremark and Warner Music. In terms of equity funds in the portfolio, two funds were introduced as longer-term anchor tenants, which should reduce volatility over the longer term.

The fund remains biased towards the US dollar. Given the weakness recently experienced, this position hurt over the quarter. We retain a reasonable position in the British pound after a period of severe underperformance in the last two years.

**Portfolio managers**

Tony Gibson and Louis Stassen

# CORONATION GLOBAL CAPITAL PLUS [USD] FUND

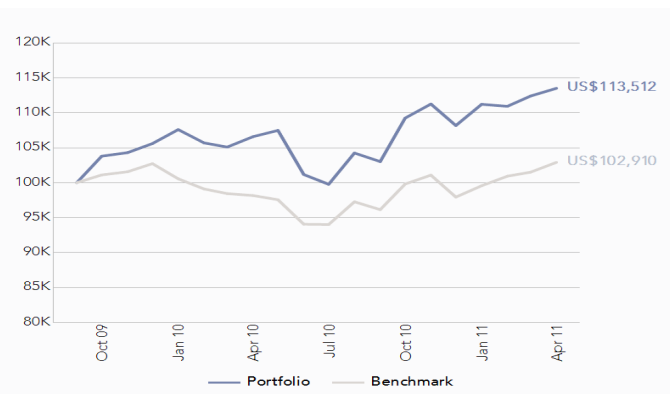
A sub-fund of the Coronation Global Opportunities Fund domiciled in Ireland  
as at 31 March 2011

Currency	USD
Minimum Investment	US\$15,000.00
Launch date	01 September 2009
Portfolio manager/s	Tony Gibson and Louis Stassen
Annual management fee	1.50%
Annual outperformance	10% of returns above Composite Benchmark with 1.00% cap
Fund domicile	Ireland
Listing	Irish Stock Exchange

Fund size	US\$248.09 million
Benchmark	Composite:50% 3-month LIBOR & 50% 3-month EURIBOR +1.5%
Liquidity	Daily
Notice period	1 business day preceding dealing day
Redemption payout	2 days after dealing day
Bloomberg	CORGLTA ID
ISIN	IE00B3YPF405
SEDOL	B3YPF40

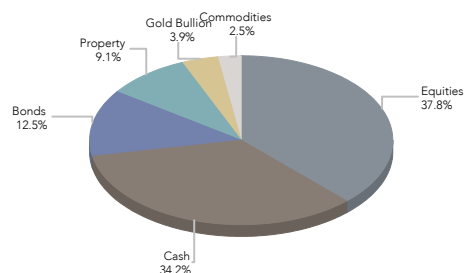
## PERFORMANCE AND RISK STATISTICS

### GROWTH OF A \$100,000 INVESTMENT



## PORTFOLIO DETAIL

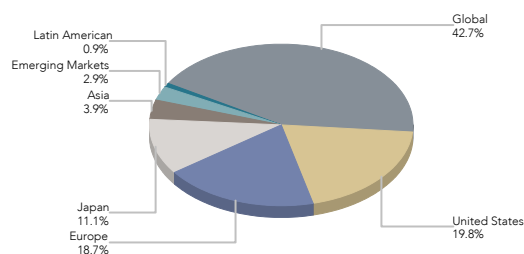
### EFFECTIVE ASSET ALLOCATION EXPOSURE



## PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	13.5%	3.0%	10.5%
Since Inception (annualised)	8.3%	1.9%	6.4%
Latest 1 year (annualised)	6.5%	4.8%	1.7%
Year to date	2.1%	3.4%	(1.4)%
2010	3.4%	(1.0)%	4.4%

## GEOGRAPHIC ASSET ALLOCATION EXPOSURE



## RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	9.4%	6.8%
Sharpe Ratio	0.16	(0.94)
Maximum Gain	8.0%	5.0%
Maximum Drawdown	(7.3)%	(9.4)%
Positive Months	63.2%	52.6%

## CURRENCY ALLOCATION

Currency as at 31 Mar 2011	% of Fund
US Dollar	68.9%
Euro	20.9%
UK Pound Sterling	9.8%

## MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	(0.3)%	1.3%	1.0%										2.1%
Fund 2010	(1.8)%	(0.6)%	1.4%	0.8%	(5.9)%	(1.4)%	4.5%	(1.2)%	6.0%	1.8%	(2.8)%	2.8%	3.4%
Fund 2009									3.8%	0.5%	1.3%	1.9%	7.6%

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