

## PORTFOLIO MANAGER COMMENTARY

The fund returned -13.3 (in US dollar terms) for the quarter, against -16.5% from the benchmark MSCI World Index. For a rolling 12-month period, the fund's return of -5.9% is behind the benchmark's -3.8%.

The quarter was characterised by some of the most extreme market volatility ever experienced. The European Sovereign credit crisis was again at the forefront of market concerns as a Greek default was widely anticipated and the contagion effect spread to other European states, especially Italy. Another seismic event was the downgrade of US government debt after a protracted negotiation over the extension of the US debt ceiling and this was the trigger for a mid-August sell-off. A slowing of economic activity in Europe, the US and even China exacerbated an already nervous market. Sharp sell-offs were followed by large rebounds as markets were whipsawed by changing investor sentiment and daily newsflow. However, the overriding trend was downwards and equities and commodities sold off in a flight to safety for US collars and Japanese yen.

In terms of regional equity performance, Japan was the best performing region, falling only 6.4% (in US dollar terms), while Europe performed the worst, falling 22.6% (in US dollar terms). North America fell 14.5% while Asia ex-Japan declined by 19.7% (in US Dollar terms). The fund's regional positioning therefore had a negative impact on performance over the quarter.

The underlying managers generated all of the relative outperformance this quarter, with a good spread of strong returns from individual funds and one or two minor disappointments.

The largest contributor to relative outperformance was Cantillon Global Equity Fund which was particularly stable amidst the market turmoil and continued to outperform the market. Vulcan Value Partners, one of our US managers also had a very good quarter, generating 2.5% alpha over the S&P 500 Index.

In Europe, Adelphi European Select Fund finished ahead of the European markets, while Edinburgh Partners Europe was more or less in line with the indices. Morant Wright Japan also delivered good alpha in the Japanese markets.

On the negative side, although the fund was in line with the Emerging Market indices, and amongst the best in its peer group, the Coronation Emerging Market Fund detracted from overall performance given the recent sell off in these markets and our overweight position in them.

**Outlook**

While fear continues to pervade the markets, it is likely that risk assets will remain out of favour in the short term. Europe is moving closer to a solution for Greece and other member states in financial trouble. The Fed and other central banks are committed to taking any steps necessary to provide market support and a further round of quantitative easing is possible. President Obama has announced a new job creation policy which is hoped will stimulate the economy and return it to a sustainable growth level. Despite all the negative newsflow, the fact remains that there are many high quality companies that will continue to grow and emerge from the crisis in an even stronger position than before, regardless of the short-term volatility of their share prices. These are the companies that we and our managers seek to invest in and we view these levels as an attractive investment opportunity that will deliver attractive returns over the medium term.

**Portfolio manager**

Tony Gibson

# CORONATION WORLD EQUITY [ZAR] FUND OF FUNDS

CLASS A as at 30 September 2011

**CORONATION**  
FUND MANAGERS

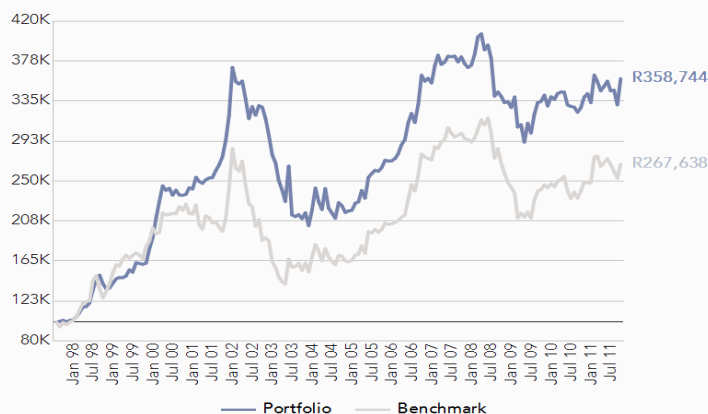
**Fund category** Foreign - Equity - General  
**Fund description** Aims to achieve long-term capital growth that exceeds the MSCI World Index in dollar terms while ensuring lower volatility of returns, particularly on the downside, than conventional index-linked equity portfolios.  
**Launch date**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

**Fund size** R 1.07 billion  
**NAV** 3325.44 cents  
**Benchmark/Performance Fee Hurdle** MSCI World Index (Rands)  
**Risk profile**



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

### GROWTH OF A R100,000 INVESTMENT



### PERFORMANCE FOR VARIOUS PERIODS - ZAR RETURNS

	Fund	Benchmark	Outperformance
Since Launch (unannualised)	258.7%	167.6%	91.1%
Since Launch (annualised)	9.4%	7.2%	2.2%
Latest 10 years (annualised)	2.7%	3.1%	(0.5)%
Latest 5 years (annualised)	(0.2)%	(0.8)%	0.6%
Latest 3 years (annualised)	1.8%	(0.1)%	1.9%
Latest 1 year (annualised)	9.4%	11.9%	(2.4)%
Year to date	7.7%	7.8%	(0.2)%
2010	(1.8)%	0.5%	(2.3)%
2009	3.5%	1.6%	1.9%
2008	(12.1)%	(16.6)%	4.5%

### PERFORMANCE FOR VARIOUS PERIODS - USD RETURNS

	Fund	Benchmark	Outperformance
Since Launch (unannualised)	103.4%	52.4%	51.0%
Since Launch (annualised)	5.1%	3.0%	2.1%
Latest 10 years (annualised)	3.8%	4.2%	(0.5)%
Latest 5 years (annualised)	(1.1)%	(1.7)%	0.6%
Latest 3 years (annualised)	2.4%	0.5%	1.9%
Latest 1 year (annualised)	(5.9)%	(3.8)%	(2.1)%
Year to date	(12.0)%	(11.8)%	(0.1)%
2010	9.7%	12.3%	(2.6)%
2009	33.2%	30.8%	2.4%
2008	(37.1)%	(40.3)%	3.2%

### 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%				7.7%
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: 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 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>	2.33% per annum, which includes a performance fee of 0.02%
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<sup>†</sup> The Nedgroup Global Equity Fund is managed by Veritas Asset Management

## PORTFOLIO DETAIL

### GEOGRAPHIC ASSET ALLOCATION EXPOSURE

	30 Sep 2011
<b>Equities</b>	<b>97.5%</b>
Europe (4 Funds)	39.0%
Global (2 Funds)	34.6%
North America (2 Funds)	15.9%
Japan (1 Fund)	7.9%
<b>Cash</b>	<b>2.5%</b>
Foreign	1.9%
Domestic	0.6%

### TOP 5 HOLDINGS

As at 30 Sep 2011

Contrarius Global Equity Fund
Cantillon GV Fund E-Series E1
Vulcan Value Partners Fund
Coronation Global Emerging Markets Fund
Nedgroup Global Equity Fund

### RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	16.4%	18.1%
Sharpe Ratio	(0.08)	(0.19)
Maximum Gain	51.7%	53.2%
Maximum Drawdown	(45.3)%	(50.7)%
Positive Months	58.8%	53.5%

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 30 September 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 June 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.