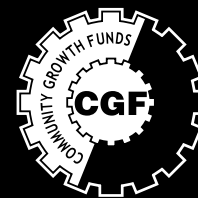


COMMUNITY GROWTH EQUITY FUND



Godwin Sepeng

Portfolio Manager - Old Mutual Investment Group

COMMENTARY – JUNE 2010

Global Economy

Having displayed a strong recovery from the recession, the global economy is now beginning to show signs of weakness, although growth remains positive. All major leading indicators have turned downwards from their recent peaks. Recent data from the United States (US) has been weak, while data from Europe and Japan continues to show a strong rebound in the real economy. China, and other major emerging economies, remain the growth engine for the world economy, although these are also showing signs of a slowdown. Against this backdrop, together with a focus on fiscal consolidation by most governments, especially in the developed world (with the aim of reducing their budget deficits and debt levels), the sustainability of the economic recovery has been put into question.

Global Markets

The results have been sharp declines in commodity prices, with gold and silver the only commodities managing positive returns for the quarter. Industrial metals fell as much as 20%. Global equity markets sold off, with the MSCI World Index (MSCI) declining a whopping 12.5% in US dollars. This was the first quarterly loss for global equity investors after four straight quarterly gains. Developed markets continued to underperform emerging markets. Europe suffered the most losses, with markets like Greece, Hungary, Finland, Poland, Austria and Spain falling by between 20% and 40% in dollar terms during the second quarter of 2010. Other regions also suffered losses, although more muted than those experienced in Europe.

Domestic Economy

The South African economy continues to recover from the recession, with the consumer sector also turning positive. Household finances continue to improve, with real disposable income rising, and inflation and debt servicing costs falling. This, together with high consumer confidence after the FIFA Soccer World Cup, bodes well for a strong consumer recovery going forward. Although both the manufacturing and mining sectors continue to show strong recovery, sharp declines in these sectors' leading indicators, namely the purchasing managers indices and commodity prices, are a cause for concern. This is especially so when seen in the context of a slowing global economy that both these sectors are geared to.

Domestic Markets

Our markets performed in line with global markets, with the FTSE/JSE All Share Index (ALSI) falling 12.8% in dollar terms. In rands (ZAR) the ALSI fell 8.2%. Resources led the decline, falling 11.9% in rand terms, continuing its recent underperformance of the other major sectors. Most mining sub-sectors fell sharply, in sympathy with falling commodity prices, with large diversified miners declining 18.2%. The only exception was the gold sector, rising an outstanding 16.5% in rand terms. The gold price in dollar terms hit an all-time high of US\$1 256 per ounce during the quarter. Financials were the second worst performing major sector, falling 7.8% while industrials fell a more muted 4.5% for the quarter. Our markets continue to be dominated by global events despite our better fiscal position and positive news from the first FIFA Soccer World Cup in Africa.

OUTLOOK

Global markets are expected to remain volatile as long as concerns about the sustainability of the global economic recovery remain. We believe that the global economy will continue to grow, albeit at a slower pace than the first half of the year. The domestic economy is expected to continue to recover in the second half, also at a slower pace. This, together with a positive outlook on inflation and the remaining areas of weakness within the domestic economy, could propel the South African Reserve Bank to cut interest rates by a further half a percent at its July Monetary Policy Committee (MPC) meeting. This would further aid the consumer recovery.

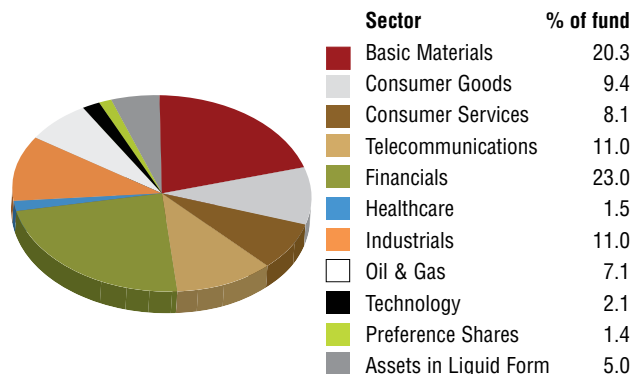
RISK FACTOR

This is a medium to higher risk fund. The fund is exposed to share price movements, which are affected by the activities of individual companies, general market conditions as well as global and local political and economic changes.

INVESTMENT AIM

This general equity unit trust fund aims to provide long-term capital growth while promoting sustainable and responsible investing. The fund invests in JSE-listed companies that are viable and sustainable, and have a clear commitment to job creation, skills development, affirmative action, sound environmental practices and effective corporate governance. It also aims to achieve long-term investment returns in excess of inflation.

PORTFOLIO COMPOSITION as at 30 June 2010



PAST PERFORMANCE

	Fund	Fund Benchmark	Category Rankings
1 year	14.9	20.4	71/80
3 years	-0.1	-0.9	25/65
5 years	14.0	14.9	27/51
7 years	20.4	19.8	20/40
10 years	16.3	15.1	13/29

Figures as at 30 June 2010, based on lump sum investment excluding initial charges (NAV-NAV prices). All fund and benchmark returns are net of fees. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Sources: Fund Returns – Morningstar as at 30 June 2010; Fund Benchmark Returns – Old Mutual Investment Group's Internal Performance System as at 30 June 2010

TEN LARGEST HOLDINGS as at 30 June 2010

Share	Market Value (R'000)	%
MTN GROUP	245 729	9.9
ANGLO AMERICAN PLC	218 901	8.8
SASOL LTD	177 436	7.1
STANDARD BANK GROUP LTD	168 777	6.8
NASPERS LTD	137 705	5.5
SABMILLER PLC	126 373	5.1
BHP BILLITON PLC	123 226	5.0
OLD MUTUAL PLC	120 150	4.8
FIRSTSTRAND LTD	96 815	3.9
INVESTEC PLC	85 631	3.4
TOTAL	1 500 744 967	60.4

Fund Category	Domestic - Equity - General
Fund Benchmark	FTSE/JSE All Share Index
Launch Date	1 June 1992
Net Asset Value	R2 362 million (total market value of assets + net income)
Dealing Price	NAV
Distributions	Declared 30 September Distributed 1 business day after declaration September 2005: 12.99c per unit September 2006: 19.88c per unit September 2007: 22.59c per unit September 2008: 26.22c per unit September 2009: 19.73c per unit
Minimum Investment	Lump sum - R500. Monthly debit order - R100
Initial Charge	Upfront charge is 3.42% (incl. VAT), which is broker commission and is deducted prior to the purchase of units.
Service Fee	0.57% p.a. (calculated on the market value of the fund's assets and deducted from the portfolio monthly). Additional administrative charges incurred by the Management Company are deducted from the fund's portfolio.
Unit Price (cents/unit)	Buy and sell: 712c
Total Expense Ratio (TER)*	0.58% (Annualised, ended 31/12/2009)
Fund Code	CGMG

*From April 2007, the unit trust industry introduced a new measure called Total Expense Ratio (TER) to evaluate the effect of costs on an investment. Each fund's total expense ratio (TER) reflects the percentage of the average Net Asset Value of each portfolio that was incurred as charges, levies and fees related to the management of the portfolio.

HELPLINE – 0860 103 180 FACSIMILE – 0860 103 183 INTERNET – www.communitygrowthfunds.com E-MAIL – comanco@oldmutual.com

STATUTORY INFORMATION: Collective Investment Schemes in Securities (Unit trusts) are generally medium to long-term investments. Past performance is no indication of future growth. It is important that you are prepared for some shorter-term fluctuations as your investment moves in line with markets. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts may engage in scrip lending and may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. An upfront charge for broker commission of 3.42% of the investment amount is deducted prior to the purchase of units. An annual service fee of 0.57% is calculated on the market value of the fund's assets (excluding income and permissible deductions) and deducted from the portfolio on a monthly basis. A schedule of fees and charges and maximum commissions is available from the management company/intermediary. Unit trust prices are calculated on a net asset value (NAV) basis, which is the total market value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio divided by the number of units in issue. Permissible deductions may include compulsory and bank charges, brokerage, marketable securities tax, other taxes and levies, custodian and trustees' fees and audit fees. Commission and incentives may be paid by Comanco and if so, are included in the overall costs. Each fund's total expense ratio (TER) reflects the percentage of the average Net Asset Value of each portfolio that were incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. You can easily sell your investment at the ruling price of the day (calculated at 15h00 on a forward pricing basis). Instructions must reach Community Growth Management Company before 15h00 to ensure same day value.

Community Growth Management Company is a member of the Association of Collective Investments, SA. Trustees: The Standard Bank of South Africa Limited, PO Box 54, Cape Town, 8000.

Community Growth Management Company Ltd (Registration no. 1992/002327/06), Mutualpark, Jan Smuts Drive, Pinelands, 7405, PO Box 248, Mutualpark 7451.

COMPLAINTS: Write to our Client Services Manager at the above address or for further information call 0860 103 180. Compliance Officer: (021) 509 2570