

Nazley Bardien

Portfolio Manager - Old Mutual Investment Group

COMMENTARY – JUNE 2010

The second quarter of 2010 was very subdued in the money market with three-month rates trading at a constant 6.55% and 12-month rates strengthening to the 7.178% level from a high of 7.45%.

The South African Reserve Bank (SARB) continued issuing Treasury Bills, which were well absorbed into the market. These instruments were favoured by managers relative to negotiable certificates of deposit (NCDs) as they offered more diversity, better credit and more attractive prices.

Treasury Bill spreads continue to trade above bank NCDs even though we saw a considerable decline in the spreads in the weekly auctions.

Most of the activity seen in money market rates during the past quarter was in the corporate market with spreads contracting due to a lack of supply and a high level of demand for these sought-after assets.

Maturities in the fund over the past quarter were initially used to increase the exposure to the three- to six-month area of the yield curve while some exposure was taken in the nine- to twelve-month area in the later part of the quarter.

OUTLOOK

Going forward, we will strive to take the portfolio's overweight position in the six- to nine-month area of the yield curve and neutral to the twelve-month time bucket as opportunities arise. We will continue to search for single name credits as they remain attractive in our opinion.

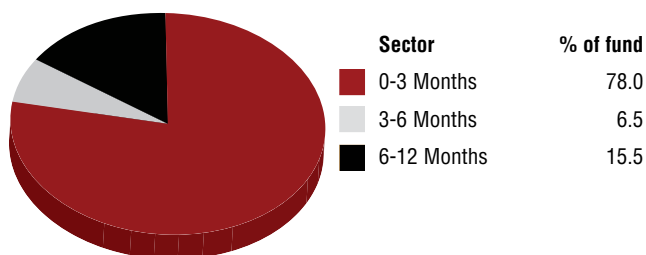
RISK FACTOR

This is CGF's lowest risk fund. The fund is exposed to lower risk due to the short-term nature of the assets held in the portfolio, which substantially reduces the fund's exposure to price fluctuations and interest rate risk. This fund does not offer guarantees.

INVESTMENT AIM

The fund seeks to maximise interest income and maintains a high level of liquidity. The fund gives investors exposure to above-average interest rates.

PORTFOLIO COMPOSITION as at 30 June 2010



PAST PERFORMANCE

	Fund	Fund Benchmark	Category Rankings
1 year	7.6	6.9	5/22
3 years	9.9	9.2	6/20
5 years	9.0	8.3	7/18

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

Fund Category	Domestic - Fixed Interest - Money Market
Fund Benchmark	Alexander Forbes Composite Short-Term Fixed Interest Index (STeFI).
Launch Date	1 August 2002
Net Asset Value	R20.28 million (total market value of assets + net income)
Dealing Price	NAV
Distributions	Declared monthly Distributed 1 business day after declaration March 2010: 64.59c per unit April 2010: 62.12c per unit May 2010: 60.14c per unit June 2010: 55.16c per unit
Minimum Investment	Lump sum - R5 000. Monthly debit order - R500
Initial Charge	Upfront charge: 0%
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: 100.00c
Total Expense Ratio (TER)*	0.62% (Annualised, ended 31/12/2009)
Fund Code	CGMF

*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. There is no upfront charge. 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 company/intermediary. Unit trust prices are calculated on a net asset value 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. 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 13h00 for the Community Growth Money Market Fund to ensure same day value. The Community Growth Money Market Fund unit price is static and interest is declared daily at 13h00 and paid monthly. While a constant price is maintained the investment capital is not guaranteed.

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