COMMUNITY GROWTH EQUITY FUND

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COMMENTARY – SEPTEMBER 2011

Global Economy

The third quarter of the year 2011 was dominated by a slowing US recovery and debt ceiling squabbles in Washington, which all culminated in the S&P downgrade of US debt. At the same time, Europe's debt woes deepened and troubling signs emerged about China, raising doubts about the strength of the global economic growth. In a move to avert the worst, the US Federal Reserve and the European Central Bank intervened to provide dollar liquidity to European markets. Other positive moves were France and Germany voting in favour for the expansion of the European bail-out fund.

Global Markets

Despite the efforts by the authorities to allay fears, risk aversion continued to dominate global equity markets. This resulted in a strong sell-off of emerging market equities, which for the third consecutive quarter in 2011 underperformed the developed world — year to date MSCI World Developed Markets outperformed MSCI World Developing Markets by 9.9%. Within the developed markets the worst performance came from Europe, Euro Stoxx 50 (down 22.7%), driven mainly by both Germany and France (the German Dax and French Cac were down 21.2% and 22.4% respectively). Poor performance from emerging markets was driven by mainly Russia (-31%), Brazil (-26.9%) and China (25.2%) respectively.

Domestic Economy

Following the disappointing growth numbers in Q2, expectations were that the economy would pick up momentum in Q3. However, the economic data released during the quarter painted a different picture – manufacturing and mining data was weaker than expected. It was not all doom and gloom though, as vehicle and retail sales rebounded well during the quarter. Credit data indicated that the SA consumer is not out of the woods yet while corporate credit grew solidly. Inflation pressures still lingered amid rising soft commodity prices (especially food). However, the risks abated due to relatively subdued expected economic growth.

OUTLOOK

As mentioned in our previous communication, the global economy will continue to grow in the near term, albeit at a slower pace than when it was recovering from the recession. The Eurozone is expected to enter recession amid the sovereign debt and banking crisis whilst the US is expected to grow at stall speed. Emerging markets are expected to grow at better rates than their developed counterparts. The high oil price, rising interest rates in developing markets and austerity measures in most developed economies will lead to even slower global growth going forward. The South African economy is also expected to grow at a moderate pace going forward, in line with the global economy.

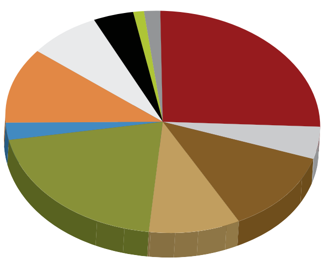
RISK FACTOR

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 September 2011



Sector	% of fund
Basic Materials	25.4
Consumer Goods	4.6
Consumer Services	12.3
Telecommunications	9.4
Financials	20.5
Health Care	2.4
Industrials	11.2
Oil & Gas	7.5
Technology	4.0
Preference Shares	1.3
Assets In Liquid Form	1.4

PAST PERFORMANCE

	Fund	Fund Benchmark	Category Rankings
1 Year	-3.3	2.4	83/85
3 Years	7.5	9.3	61/79
5 Years	7.6	7.5	34/60
7 Years	15.3	16.0	30/45
10 Years	16.3	15.9	23/37

Figures as at 30 September 2011, 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 September 2011; Fund Benchmark Returns – Old Mutual Investment Group's Internal Performance System as at 30 September 2011

TEN LARGEST HOLDINGS as at 30 September 2011

Share	Market Value (R'000)	%
ANGLO AMERICAN PLC	203 961	10.2
MTN GROUP LIMITED	188 131	9.4
SASOL LIMITED	150 960	7.5
BHP BILLITON PLC	130 230	6.5
STANDARD BANK GROUP LIMITED	116 780	5.8
NASPERS LIMITED	86 905	4.3
ABSA GROUP LIMITED	82 023	4.1
OLD MUTUAL PLC	77 546	3.9
ANGLOGOLD ASHANTI LIMITED	71 081	3.5
INVESTEC PLC	55 434	2.8
TOTAL	**1 163 050**	**57.9**

Fund Category	Domestic - Equity - General
Fund Benchmark	FTSE/JSE All Share Index
Launch Date	1 June 1992
Net Asset Value	R2 007 million (total market value of assets + net income)
Dealing Price	NAV
Distributions	Declared 30 September Distributed 1 business day after declaration September 2006: 19.88c per unit September 2007: 22.59c per unit September 2008: 26.22c per unit September 2009: 19.73c per unit September 2010: 12.49c per unit September 2011: 20.83c 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: 765c
Total Expense Ratio (TER)*	0.58% (Annualised)
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.

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