

Melbourne Community Foundation  
Monthly Report - 30 June 2007 - Unaudited



Cumulative Returns 31/03/2007	PERFORMANCE				
	Capital Return	Income Return	Total Return	Benchmark Return	Excess Return
3 Months	4.15%	0.62%	4.77%	4.12%	0.65%
6 Months	10.95%	1.72%	12.67%	12.87%	-0.20%
9 Months	11.77%	2.74%	14.52%	16.51%	-2.00%
1 Year	11.10%	4.59%	15.69%	16.78%	-1.08%
2 Years	32.14%	8.99%	41.13%	43.46%	-2.33%
3 Years	53.33%	16.66%	69.99%	68.02%	1.97%
Monthly Performance from 31 March 2007					
30-Apr-07			3.20%	2.32%	0.88%
31-May-07			3.01%	2.52%	0.49%
30-Jun-07			0.84%	-0.88%	1.72%

Benchmark Return % is based on Benchmark Asset Allocation and S&P/ASX200 Accumulation Index, S&P/ASX Property Trust Accumulation Index, MSCI ex Australia Gross Index in \$A, UBS Australian Composite Bond Index (0+Yrs) and UBS Australian Bank Bill Index.

Performance Commentary

The fund returned 0.84% for the month of June compared with the benchmark return of -0.88%. The total return for the 2006/7 Financial Year was 22.53% compared to the portfolio benchmark which returned 20.94%. The Australian equities portfolio returned 0.56% for the month against the index which returned -0.17%. The Fund's property holdings performed poorly returning -5.66% for the month slightly underperforming the index which returned -4.98%. The International equities index fell by 3.59% in June, compared with our portfolio which was down by 1.72%. Our fixed income portfolio rose by 0.78% for the month beating the index which returned 0.33%.

Melbourne Community Foundation performance is based on the unit price movement. The unit price includes the following accruals: Interest on the CMT account, MCF Administration Fee, Cambrea Advisory Fee and Imputation Credit Refund.

	ASSET ALLOCATION - 30 JUNE 2007			FUND SIZE	
	Benchmark Asset Allocation	Average Asset Allocation*	Current Asset Allocation	Date	Fund Size
Australian Equities	60%	60.10%	56.51%	30-Jun-07	\$32.4m
International Equities	10%	8.33%	11.54%	31-Mar-07	\$27.4m
Listed Property Trusts	10%	6.23%	5.34%	30-Jun-06	\$23.9m
Fixed Interest (incl. Hybrids)	15%	14.30%	13.60%	30-Jun-05	\$17.7m
Cash and Cash Products	5%	11.04%	13.01%	30-Jun-03	\$11.4m

\* Calculated on average month end balances over the past 12 months.

Variation to Benchmark

The fund's allocation to Australian equities decreased by 3.5% over the month largely as a result of new cash inflows. The equities allocation is now slightly underweight and we will look to increase this back towards the benchmark as opportunities arise. The Fund's holding in property trusts remains well below benchmark which has assisted performance. It has been our view for some time that the property sector is overvalued and we intend to remain underweight until value emerges. The fund is slightly overweight International equities and we look to maintain this position going forward. Although we continue to add to the fixed income portfolio the fund remains underweight and we will endeavour to increase this holding as opportunities arise. As a result of the June inflows the overall allocation to growth assets has fallen to 73.4% and 26.6% to fixed income and cash. We will look to increase the allocation to growth assets over time.

STOCK PERFORMANCES RANKED BY LARGEST EFFECT FOR THE MONTH ENDED 30 JUNE 2007

Name	Weight	Monthly Return
<b>Contributors</b>		
BHP Billiton Limited	6.87%	11.10%
Wesfarmers Limited	1.99%	20.53%
JB Hi-Fi Limited	1.71%	18.90%
Woodside Petroleum Limited	4.89%	6.40%
Origin Energy Limited	2.31%	13.21%
<b>Detractors</b>		
Metcash Limited	1.55%	-12.96%
St George Bank Limited	3.78%	-5.14%
Macquarie Communications Infrastructure Group	2.56%	-7.32%
National Australia Bank	4.57%	-3.57%
Platinum Asset Management Limited	1.51%	-8.40%

Stock Specific Matters

The major contributor to performance for the month was once again BHP Limited. Wesfarmers performed strongly around the merger activity surrounding the Coles takeover and JB Hi Fi continued its strong run. Woodside Petroleum and Origin also performed well as the oil price continued its creep upwards. The main detractor from performance was Metcash after an earnings downgrade. St George Bank and National Bank were negative for the month. Macquarie Communications Infrastructure Group feel in line with most infrastructure stocks on concerns of rising bond yields. Platinum Asset Management also retraced some of their gains after their spectacular IPO in May.

Options Positions

Over the month all outstanding options contracts expired and no new positions were written.