

## Harmony Portfolios Asian Balanced Fund\*

### Investment objectives

The portfolio will be biased to investments in markets of established Asian and emerging Asian countries. The portfolio will also hold investments outside these countries. The portfolio aims to provide a balance between capital preservation and capital growth in the base currency with a reduced level of volatility via strategic exposures to a wide range of asset classes. The Fund is ideally suited to investors with a moderate risk tolerance with an investment horizon of 3 years or longer

### Market commentary

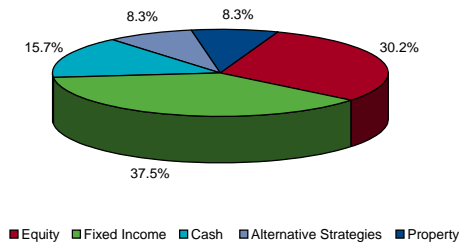
Following a torrid few months, risk appetite returned to investment markets in July. As a result, the second half of 2010 has begun with rather a better tempo than the first half finished. The stress test result for the European banking sector was an important event in the month of July. Overall the conclusions were positive, despite a study which might be thought of as less than exhaustive. The Committee of European Banking Supervisors (CEBS) suggested that seven of 91 EU banks failed to achieve a tier one capital ratio of 6% under a series of macroeconomic scenarios

Global developed equities ended the month having posted strong gains, with the MSCI World returning 8.1% in US Dollar terms. Emerging markets also delivered positive performance with the MSCI Emerging Markets index adding 8.3% to nose ahead of global equities. Government bonds also rallied 3.4% in USD terms. The US Dollar weakened against most currencies for the second month in a row. This provided a tailwind to performance where foreign currency returns are reported in US dollar terms.

During the month of July strong relative performance from the global and regional equity managers were unfortunately offset by the hawkish approach and subsequent muted returns from the incumbent emerging market debt manager. Over a rolling twelve month period the fund has remained ahead of the composite benchmark.

Source: RMB Asset Management, Lipper, July 2010.

### Asset Allocation



Source: Lipper Hindsight and RMB Investment Services Limited.

### Top Holdings

Holding	Asset Type	Weight
<sup>1</sup> Cash	Cash	15.7%
<sup>1</sup> BlackRock US Corporate Bond Index Fund	Fixed Income	14.6%
<sup>1</sup> Tiburon Taipan Fund Ltd	Equity	12.8%
<sup>1</sup> Schroder ISF - EM Debt Absolute Return USD	Fixed Income	10.7%
<sup>1</sup> Symphony Fund PLC - Concerto Global Property Fund	Property	8.4%
<sup>1</sup> Symphony Fund PLC - Concerto Emerging Markets Fund	Equity	6.7%
<sup>1</sup> RMB Managed Feeder Funds SICAV - Global Equity Alpha Plus	Alternative Strategies	5.3%
<sup>1</sup> RMBI Multimanager SICAV - Global Fixed Income	Fixed Income	5.1%
<sup>1</sup> BlackRock Global Funds - US Dollar High Yield Bond Fund	Fixed Income	4.8%
<sup>1</sup> Symphony Fund PLC - Global Alternative Strategies Fund	Alternative Strategies	2.6%
<sup>1</sup> Morgan Stanley Global Brands Fund	Equity	2.4%
<sup>1</sup> RWC Funds - RWC Global Convertibles Fund	Fixed Income	1.9%
<sup>1</sup> Firth Asian Smaller Companies	Equity	1.8%
<sup>2</sup> American Century	Equity	1.1%
<sup>2</sup> Artisan	Equity	1.0%
<sup>2</sup> Pzena International	Equity	1.0%
<sup>2</sup> Wellington	Equity	0.7%
<sup>2</sup> Lapides	Equity	0.6%
<sup>2</sup> Evercore	Equity	0.5%
<sup>2</sup> Driehaus	Equity	0.5%

<sup>1</sup> Direct Holding

<sup>2</sup> Indirectly held in RMB MM Global Equity Fund

Source: RMB Asset Management and RMB Investment Services Limited.

### Fund profile

as at 30 July 2010

#### Investment Manager

RMB Asset Management Intl Ltd

#### Currency

USD

#### Minimum subscription

USD 7,500

#### Subscription/redemption

Daily

#### Initial fee

No initial fee

#### Price per share

Class A - USD 0.8967

#### ISIN Code

GG00B2973625

#### Sedol

B297362

#### Composite Benchmark\*\*

18% MSCI AC Asia ex Japan,  
 12% MSCI World,  
 35% Citigroup US WGBI,  
 10% JP Morgan EMBI+  
 15% US Dollar 7-Day LIBID.  
 10% FTSE EPRA/NAREIT Developed CR

#### Inception date of Investment Strategy

30 November 2006

#### Inception date of Fund

30 November 2007

#### Investment timeframe

3 Years or longer

Please refer to the Fund Supplement and Scheme particulars for a detailed description of fees and fund facts

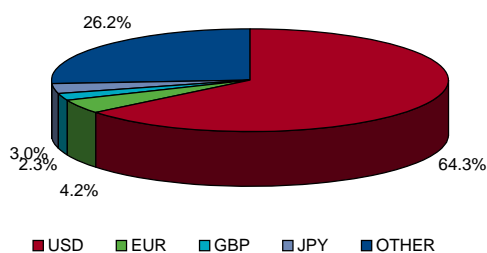
RMB Asset Management is Authorised & Regulated by the UK Financial Services Authority and is an authorised Financial Services Provider pursuant to the Financial Services Advisory Act 37 of 2002 in South Africa.

\*An Incorporated cell of the RMBIS Mutual Fund ICC Limited

\*\* Prior to 1st January 2010 the composite benchmark used for the performance comparison comprised:

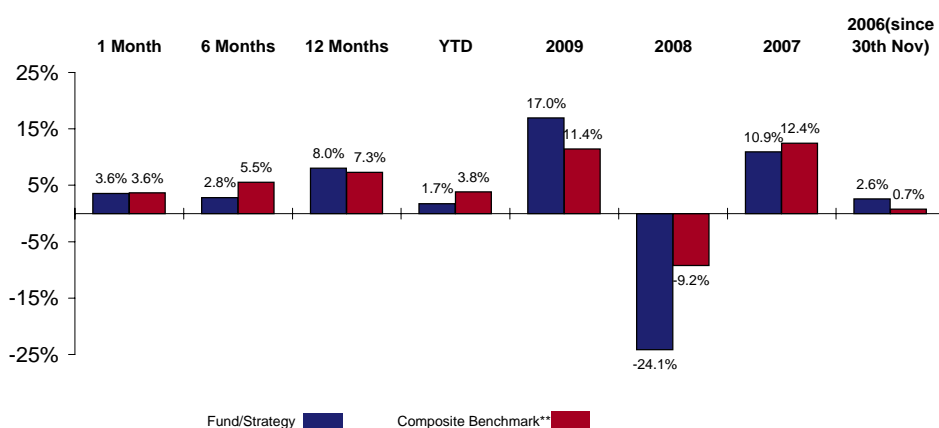
16% MSCI AC Asia ex Japan,  
 10% MSCI World,  
 37% Citigroup US WGBI,  
 37% US Dollar 7-Day LIBID.

## Currency allocation



Source: RMB Asset Management, RMB Investment Services Limited.

## Fund Performance\*\*



Prior to the Inception Date of the Fund, the Portfolio was managed as a Strategic Portfolio, maintaining the same investment policy.

The historical performance of the Strategic Portfolio is shown up to 30 November 2007, during which the Fund was in transition.

Past performance of any investment is not necessarily a guide to the future. The Fund performance is calculated on a total return basis, net of all fees and in US Dollar terms.

Source: Lipper Hindsight and RMB Investment Services Limited

\*\* Prior to 1st January 2010 the composite benchmark used for the performance comparison comprised:

16% MSCI AC Asia ex Japan,  
10% MSCI World,  
37% Citigroup US WGBI,  
37% US Dollar 7-Day LIBID.

## Risk Warnings

- Past performance of any investment is not necessarily a guide to the future. All performance is calculated Total Return, Net of all fees and in US Dollar terms.
- Fluctuations in the value of the underlying funds and the income from them and changes in interest rates mean that the value of the Fund and any income arising from it may fall, as well as rise, and is not guaranteed.
- Deductions of charges and expenses mean that you may not get back the amount you invested.
- The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.
- Higher risk investments may be subject to sudden and larger falls in value in comparison to other investments. Higher risk investments include, but are not limited to, investments in smaller companies, even in developed markets, investments in emerging markets or single country debt or equity funds and investments in high yield or non-investment grade debt.
- Notwithstanding ongoing monitoring of the underlying funds within the Fund, there can be no assurance that the performance of the funds will achieve their stated objectives.
- The Fund may contain shares or units in underlying funds that invest internationally. The value of your investment and the income arising from it may therefore be subject to exchange rate fluctuations.
- The Fund may contain shares or units in underlying funds that do not permit dealing every day. Investments in such funds will only be realisable on their dealing days. It is not possible to assess the proper market price of these investments other than on the fund's dealing days.
- Investment in the Fund may not be suitable for all investors. Investors should obtain advice from their financial advisor before proceeding with an investment.
- Certain unregulated Collective Investment Schemes may permit a greater degree of leverage than is permitted with investment funds that are available to the general public in the UK. Such Collective Investment Schemes have a greater underlying volatility, which increases the risk of loss.

## Important Notes

This Report should be read in conjunction with the Prospectus of RMBIS Mutual Fund ICC Limited and the Fund Supplement, in which all the current fees and expenses charged to the Fund are disclosed.

This Report should not be construed as an investment advertisement, or investment advice or guidance or proposal or recommendation in any form whatsoever, whether relating to the Fund or its underlying investments. It is for information purposes only and has been prepared and is made available for the benefit of the investors in the Fund and clients of the Distribution Partner.

Whilst all care has been taken by the Investment Manager in the preparation of the information contained in this Report, neither the Manager nor Investment Manager make any representations or give any warranties as to the correctness, accuracy or completeness of the information, nor does either the Manager or Investment Manager assume liability or responsibility for any losses arising from errors or omissions in the information.

RMBIS Mutual Fund ICC Limited is an incorporated cell company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. Prior to its incorporation as an incorporated cell company on 19 January 2007, it was registered as a protected cell company on 20 February 2006. It is authorised as a Class B Collective Investment Scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. In giving this authorisation the Guernsey Financial Services Commission do not vouch for the financial soundness of RMBIS Mutual Fund ICC Limited or for the correctness of any of the statements made or opinion expressed with regard to it.

Harmony Portfolios Asian Balanced Fund IC Limited is a registered incorporated cell of RMBIS Mutual Fund ICC Limited, with registered number 47772.

RMB Investment Services Limited is the designated Manager of the Fund, licensed by the Guernsey Financial Services Commission, with its registered office at La Plaidier House, La Plaidier, St Peter Port, Guernsey, GY1 1WF. RMB Investment Services Limited is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

RMB Asset Management International Limited is the appointed Investment Manager of the fund and is authorised and regulated by the UK Financial Services Authority, with its registered address at 20 Gracechurch Street, London, EC3V 0BG. RMB Asset Management International Ltd is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No. 37 of 2002 in South Africa.

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