

## Harmony Portfolios Sterling Growth Fund\*

### Investment objectives

The portfolio aims to provide capital growth in base currency terms but with a reduced level of volatility via strategic exposures to property and fixed income investments. The Fund is ideally suited to investors with an above average risk tolerance with an investment horizon of 5 years or longer.

### Market commentary

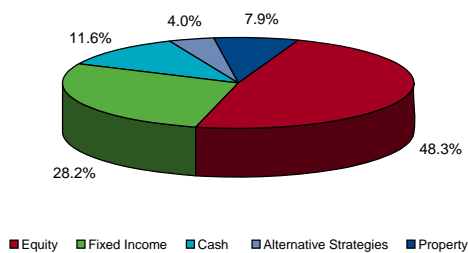
Following a torrid few months, risk appetite returned to investment markets in July. As a result, the second half of 2010 has begun with rather a better tempo than the first half finished. The stress test result for the European banking sector was an important event in the month of July. Overall the 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 3.9% in sterling terms. Emerging markets also delivered positive performance with the MSCI Emerging Markets index adding 3.7% to marginally underperform global equities. Government bonds sold off by -1.2% in sterling terms as the pound strengthened. The US Dollar weakened against most currencies for the second month in a row. Assets denominated in US dollars provided a headwind to performance where these returns are reported sterling terms.

In July Morgan Stanley, a global equity manager with lower relative sensitivity to market movements, lagged the market which in part led to the fund producing slightly lower than benchmark performance. Given our current investment outlook we plan to retain this manager as their investment style should stand the portfolio in good stead should equity markets run out of steam.

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> iShares PLC- iShares FTSE 100	Equity	26.3%
<sup>1</sup> Cash	Cash	11.6%
<sup>1</sup> BlackRock UK Corp Bond Index	Fixed Income	11.5%
<sup>1</sup> Symphony Fund PLC - Concerto Global Property Fund	Property	7.9%
<sup>1</sup> Blackrock GiltTrak Fund	Fixed Income	5.0%
<sup>1</sup> Schroder ISF - EM Debt Absolute Return GBP	Fixed Income	4.9%
<sup>1</sup> Symphony Fund PLC - Concerto Emerging Markets Fund	Equity	4.2%
<sup>1</sup> Morgan Stanley Global Brands Fund	Equity	3.3%
<sup>1</sup> RWC Funds - RWC Global Convertibles Fund	Fixed Income	3.0%
<sup>1</sup> BlackRock Global Funds - US Dollar High Yield Bond Fund	Fixed Income	2.9%
<sup>1</sup> RMB Multimanager SICAV - Global Equity Alpha-Plus GBP	Alternative Strategies	2.6%
<sup>1</sup> Concerto Alternative Alpha	Alternative Strategies	1.4%
<sup>2</sup> Pzena International	Equity	2.4%
<sup>2</sup> American Century	Equity	2.7%
<sup>2</sup> Wellington	Equity	1.7%
<sup>2</sup> Artisan	Equity	2.6%
<sup>2</sup> Evercore	Equity	1.3%
<sup>2</sup> Lapides	Equity	1.4%
<sup>2</sup> Driehaus	Equity	1.2%
<sup>2</sup> Timpani	Equity	1.2%

<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

GBP

#### Minimum subscription

Sterling equivalent of USD 7,500

#### Subscription/redemption

Daily

#### Initial fee

No initial fee

#### Price per share

Class A - GBP 0.9983

#### ISIN Code

GG00B1W29K37

#### Sedol

B1W29K3

#### Composite Benchmark\*\*

32% FTSE All Share,  
 18% MSCI World ex UK,  
 25% Citigroup GBP WGBI,  
 5% JP Morgan EMBI+,  
 10% FTSE EPRA/NAREIT Developed CR,  
 10% GBP 7-Day LIBID.

#### Inception date of Investment Strategy

30 June 2005

#### Inception date of Fund

29 June 2007

#### Investment timeframe

5 Years or longer

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

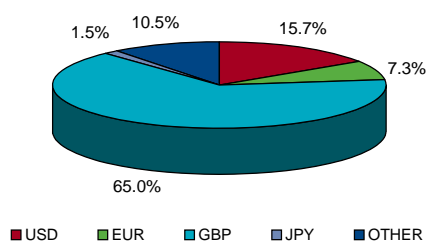
RMB Asset Management is Authorised & Regulated by the UK Financial Services Authority and is an authorised Financial Services Provider pursuant to the Financial Services Advisory Act 37 of 2002 in South Africa.

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

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

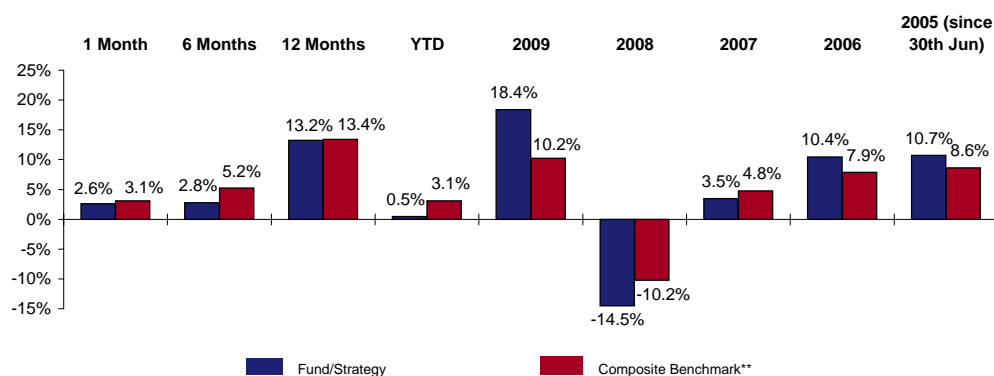
30% FTSE All Share,  
 15% MSCI World ex UK,  
 15% Citigroup GBP WGBI,  
 5% JPM EMBI+,  
 15% Lipper Property Peer Grp,  
 20% GBP 7-Day LIBID.

## 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 June 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 Sterling terms.

Source: RMB Asset Management, RMB Investment Services Limited.

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

30% FTSE All Share,  
15% MSCI World ex UK,  
15% Citigroup GBP WGBI,  
5% JPM EMBI+,  
15% Lipper Property Peer Grp,  
20% GBP 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 Sterling 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 opinions expressed with regard to it.

Harmony Portfolios Sterling Growth Fund IC Limited is a registered incorporated cell of RMBIS Mutual Fund ICC Limited, with registered number 46309.

RMB Investment Services Limited is the designated Manager of the Fund, licensed by the Guernsey Financial Services Commission, with its registered office at La Plaiderie House, La Plaiderie, 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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