



GIPS® Compliance Verification Statement

Harman Investment Advisors

12/31/00 through 12/31/09



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GIPS[®] Compliance Verification Statement

Harman Investment Advisors
Issued February 24, 2010

The following report issued by Beacon Verification Services (“Beacon”) is for a firm-wide GIPS[®] Verification of Harman Investment Advisors’ (“Harman”) claim of compliance with the Global Investment Performance Standards (GIPS[®]) for the period December 31, 2000 through December 31, 2009.

Harman received a firm-wide GIPS[®] Verification for the period September 30, 1991 through December 31, 2000 from its predecessor verifier. As dictated by the GIPS[®], we are relying on the work of the predecessor verifier in formulating our opinion. The firm’s composite presentations include returns prior to December 31, 2000 that were verified by the predecessor verifier; however, the scope of our verification is limited to the period December 31, 2000 through December 31, 2009.

We have examined whether Harman (1) complied with all the composite construction requirements of the GIPS[®] on a firm-wide basis and (2) designed its processes and procedures to calculate and present performance results in compliance with the GIPS[®] for the period December 31, 2000 through December 31, 2009. Harman’s management is responsible for compliance with the GIPS[®] and the design of the processes and procedures that present the firm’s performance results in accordance with the GIPS[®]. Beacon’s responsibility is to express an opinion on Harman’s compliance based on its verification procedures.

Beacon has completed this firm-wide GIPS[®] Verification in accordance with the verification procedures set forth in the GIPS[®]. It is Beacon’s opinion that Harman has complied with all the composite construction requirements of the GIPS[®] on a firm-wide basis. Furthermore, it is Beacon’s opinion that Harman’s processes and procedures were designed to calculate and present performance results in compliance with the GIPS[®] for the period December 31, 2000 through December 31, 2009.

In addition to the firm-wide GIPS[®] Verification, Beacon has completed a Performance Examination of the Core Equity I composite maintained by Harman for the period December 31, 2000 through December 31, 2009. Beacon completed this examination in accordance with the Performance Examination procedures set forth in the GIPS[®]. It is Beacon’s opinion that the performance results of this composite for the period December 31, 2000 through December 31, 2009 are presented, in all material respects, in conformity with the GIPS[®].

This report of the referenced Performance Examination does not relate to any particular composite presentation of Harman other than the aforementioned composite.

Beacon Verification Services

Beacon Verification Services

HARMAN INVESTMENT ADVISORS

Core Equity I Composite September 30, 1991 (quarter of inception) through December 31 2009

Year	Gross of Fees Return (percent)	Net of Fees Return (percent)	S&P 500 index † (percent)	Number of accounts	Standard deviation	Total Composite Assets End of Period (\$ millions)	Total Composite Assets as a Percent of company assets	“Bundled Fee” Accounts as a Percent of composite assets
1991	1.01	0.80	14.18	1	N/A	0.113	100.00	0.00
1992	25.72	24.68	7.62	1	N/A	0.142	16.60	0.00
1993	18.69	17.56	10.08	2	3.73	0.725	30.99	0.00
1994	3.61	2.63	1.32	4	1.90	0.525	30.14	0.00
1995	32.36	31.16	37.58	5	4.45	2.372	69.77	0.00
1996	20.39	19.03	22.96	6	1.23	2.976	72.50	0.00
1997	16.17	15.15	33.36	6	5.55	3.195	75.59	0.00
1998	(2.17)	(2.93)	28.58	5	5.33	1.549	68.67	0.00
1999	182.59	180.35	21.04	5	28.41	3.081	81.92	0.00
2000	(37.57)	(38.13)	(9.10)	3	2.19	2.475	78.37	0.00
2001	(12.88)	(13.54)	(11.89)	16	4.35	3.256	96.78	0.00
2002	(26.88)	(27.56)	(22.10)	18	2.48	3.396	87.75	27.82
2003	67.95	66.40	28.68	20	8.61	6.906	85.89	36.73
2004	24.18	23.14	10.88	28	4.32	17.868	92.82	68.34
2005	5.82	5.04	4.91	32	2.84	31.113	100.00	100.00
2006	13.96	13.18	15.80	105	2.30	43.778	100.00	100.00
2007	71.88	70.77	5.49	114	4.78	79.317	100.00	100.00
2008	(46.58)	(46.95)	(37.00)	160	4.05	48.900	100.00	98.85
2009	22.30	21.48	26.46	150	2.50	57.184	100.00	98.00

Data for 2009 is through December 31st

† Source: Standard & Poor's. Data as of 12/31/2009. Standard & Poor's[®], "S&P[®]", "S&P 500[®]", "Standard & Poor's 500", and "500" are trademarks of The McGraw-Hill Companies, Inc.

Compliance Statement

Harman Investment Advisors Incorporated has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS[®]).

Verification

The firm and its composites were examined by KPMG LLP for each of the quarters and for each year in the period September 30, 1991 (date of inception) through December 31, 2000. The firm has been verified for the periods December 31, 2000 – December 31, 2009 by Beacon Verification Services. Additionally, the composite has received a performance exam for the same time period. A copy of the attestation (KPMG LLP) and verification (Beacon Verification Services) is available upon request.

Definition of the Firm

Harman Investment Advisors Incorporated is registered with the U.S. Securities and Exchange Commission under the Investment Advisors Act of 1940. The firm offers investment management services to individuals and institutional investors. The firm, located in Chicago, Illinois, USA, has one office and no subsidiaries. A single, United States (“domestic”) equity product is distributed through several channels.

List and Description of the Firm's Composites

A complete list and description of all of the firm's composites is available upon request.

Formal Description of the Core Equity I Composite

The Core Equity I composite was created on June 30, 1991. It comprises all fee-paying, fully discretionary accounts managed by the firm without substantive liquidity or investment management constraints. Its "style" is "value-oriented, all capitalization, and concentrated." The composite includes commission and fee-in-lieu-of-commission ("bundled fee") accounts. Over the years, the Core Equity I composite has been referred to as the Equity Composite, Core Equity, and Core Equity I composite. The return figures presented above are time-weighted rates-of-return and reflect the reinvestment of all dividends and other earnings, i.e., these are "total return" figures.

Currency

Valuations are computed and performance reported in United States dollars (\$).

Presence, Use, and Extent of Leverage or Derivatives

The Core Equity Composite I does not employ leverage or derivatives.

Benchmark

The benchmark for the Core Equity I composite is the Standard & Poor's 500 total return index, i.e., including reinvestment of dividends.

Measure of Dispersion

The composite's dispersion is measured using an asset weighted standard deviation of returns in the composite.

Fee Schedule

Harman Investment Advisors standard fee is 1.00% of assets under management for accounts over \$500,000 and 1.25% for accounts under \$500,000.

Bundled Fee Portfolios / Other Fees

Clients employ fee-in-lieu-of-commission brokerage accounts or commission-based accounts. The fee paid to the broker-dealer covers the registered representatives services, brokerage execution, and custody. Various other fees may also be charged by a broker-dealer and / or custodian. For example, wire fees.

Gross performance figures are presented (a) gross of investment management fees and withholding taxes and (b) net of all custodial fees, trading expenses and other fees. Net performance figures are presented (a) gross of withholding taxes and (b) net of all investment management fees, custodial fees, trading expenses, and other fees.

Additional Information

Additional information regarding the firm's policies and procedures for calculating and reporting performance returns is available upon request.

Past performance is not a guarantee of future results.

The investment results shown are not necessarily representative of an individually managed account's rate-of-return.