

Harmonic All Cap Core Strategy

Strategy invests in US companies, across the capitalization spectrum, that management believes are trading at a discount to their intrinsic value.

BENCHMARK: Russell 3000

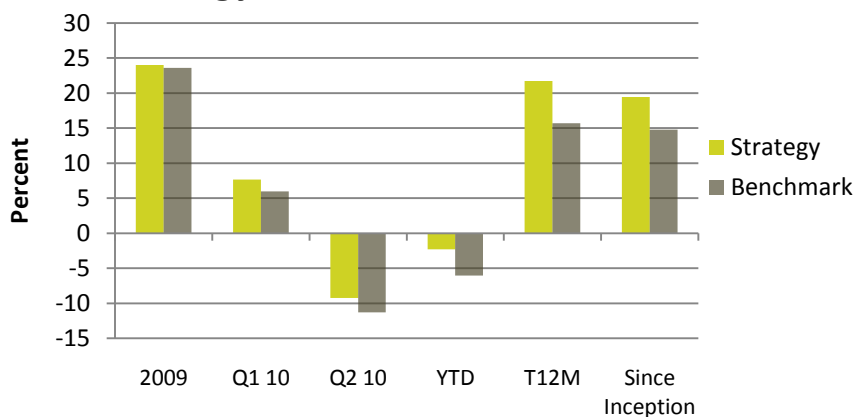
Portfolio Data as of June 30, 2010

Top Ten Holdings

CUBIST PHARMACEUTICALS INC	CBST	2.8%
NEWELL RUBBERMAID INC	NWL	2.2%
PETMED EXPRESS INC	PETS	2.2%
KEYCORP	KEY	2.1%
ENDO PHARMACEUT HLDGS INC	ENDP	2.1%
ALLIANT ENERGY CORP	LNT	2.1%
AECOM TECHNOLOGY CORP	ACM	2.0%
HEWLETT-PACKARD CO	HPQ	2.0%
SYNAPTICS INC	SYNA	2.0%
ZIMMER HOLDINGS INC	ZMH	1.9%

21.51%

Strategy Performance vs Benchmark



Sector Weights



Technology	17.66%
Healthcare	14.96%
Financials	12.96%
Energy	11.18%
Producer Durables	10.36%
Consumer Discretionary	10.03%
Consumer Staples	9.17%
Utilities	4.01%
Materials and Processing	2.70%

Performance History

Periods > 1 year are annualized

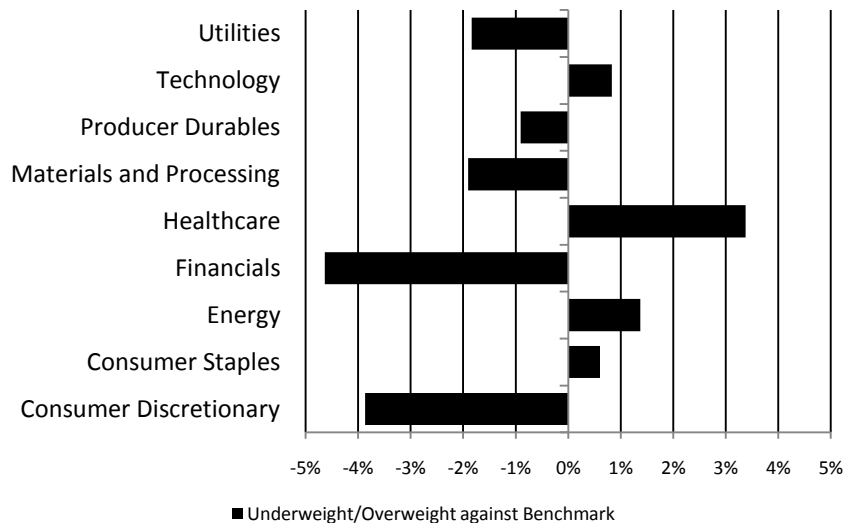
	2009	Q1 10	Q2 10	YTD	T12M	Since Inception
Strategy	24.0	7.7	-9.3	-2.3	21.8	19.4
Benchmark	23.6	6.0	-11.3	-6.1	15.7	14.8

Portfolio Statistics

Strategy Bnchmrk

Portfolio turnover rate	37%	
Number of holdings	60	3000
T12M Dividend Yield†	1.41%	1.86%
T12M Price/Earnings†	11.94	16.44
Forward P/E†	10.20	14.37
Price/Book†	5.83	1.76
Price/Sales†	1.33	1.16
Price/Cash Flow†	14.21	7.22
5 Year Ave Return on Equity†	14.97%	
5 Year Trailing Ave EPS growth†	32.88	
Forward EPS Growth†	11.17	11.88
Median Market Cap (billions)†	\$ 5.52	\$ 0.75
Alpha ~	5.25	
Beta ~	0.96	
R ² ~	0.96	
Sharpe ratio ~	1.23	0.91

Sector Weights vs Benchmark



Manager Notes

*All three of Harmonic's equity strategies outperformed their respective benchmarks in 2Q10

*No significant sector weight changes were made during 2Q10; however, our consistent underweight of consumer discretionary and financials proved beneficial. Sector weight shifts may be in order due to recent equity price declines and the potential for substantial economic weakness.

*Security selection had less an impact on the strategies' performance during 2Q10 than in previous quarters.

†Data as of August 4, 2010

~ Calculated since inception

 Harmonic Investment Advisors