Harmonic Large Cap Core Strategy

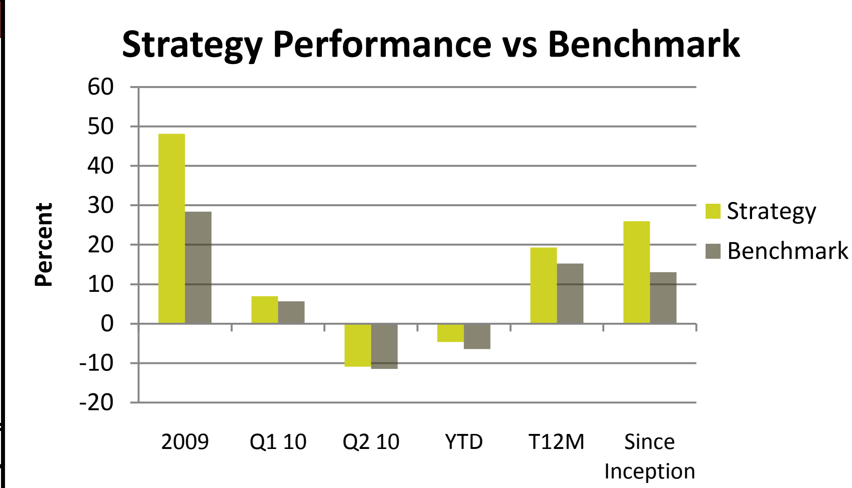
Strategy invests in Large Cap companies that management believes are trading at a discount to their intrinsic value.

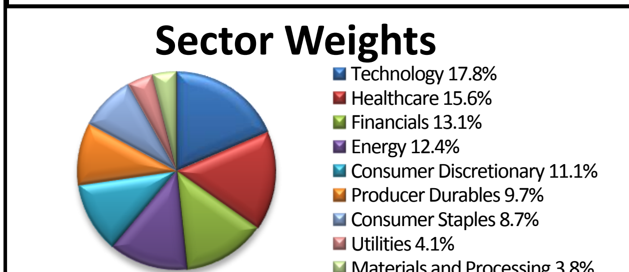
BENCHMARK: Russell 1000

Portfolio Data as of June 30, 2010

Top Ten Holdings

AEROPOSTALE INC	ARO	2.57%
GILEAD SCIENCES INC	GILD	2.46%
CONOCOPHILLIPS	COP	2.43%
KEYCORP	KEY	2.30%
ALLIANCE DATA SYSTEMS CORP	ADS	2.30%
NEWELL RUBBERMAID INC	NWL	2.21%
FLIR SYSTEMS INC	FLIR	2.11%
ALLIANT ENERGY CORP	LNT	2.09%
FOREST LABORATORIES INC	FRX	1.97%
BECKMAN COULTER INC	BEC	1.94%
		22.38%





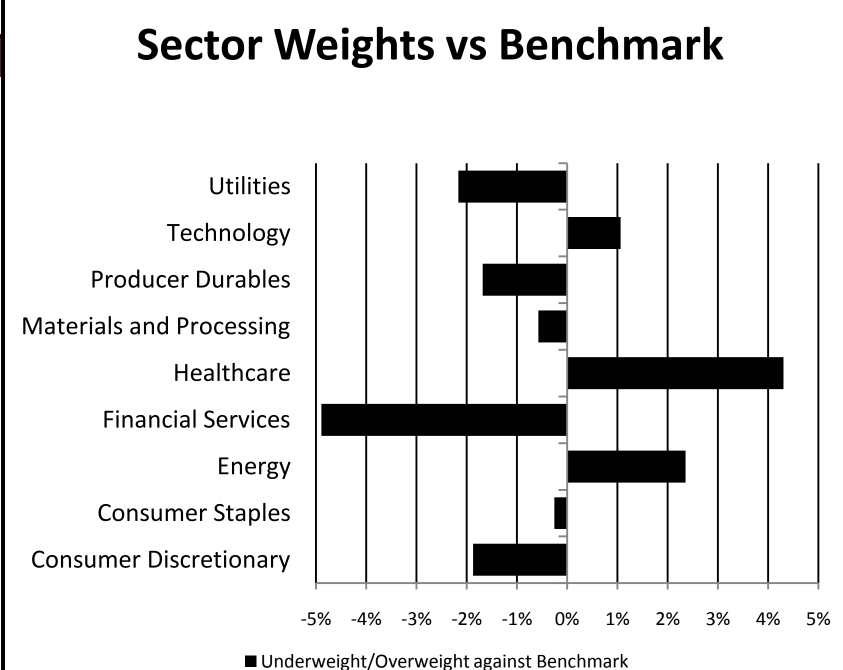
Performance History

Periods > 1 year are annualized

	2009	Q1 10	Q2 10	YTD	*T12M*	*Since Inception*
Strategy	48.1	7.0	-10.9	-4.7	*19.3*	*25.9*
Benchmark	28.4	5.7	-11.5	-6.4	*15.2*	*13.1*

Portfolio Statistics

Portfolio Statistics	Strategy	Bnchmrk
Portfolio turnover rate	48%	
Number of holdings	62	1000
T12M Dividend Yield†	1.39%	1.89%
T12M Price/Earnings†	12.12	15.77
Forward P/E†	12.32	14.00
Price/Book†	6.83	2.08
Price/Sales†	1.39	1.21
Price/Cash Flow†	38.61	7.43
5 Year Ave Return on Equity†	20.30%	
5 Year Trailing Ave EPS growth†	32.99	
Forward EPS Growth†	12.53	11.64
Median Market Cap (billions)†	$ 7.23	$ 4.23
Alpha ˜	14.10	
Beta ˜	0.90	
R^2 ˜	0.89	
Sharpe ratio ˜	1.30	0.62



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