

# 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**

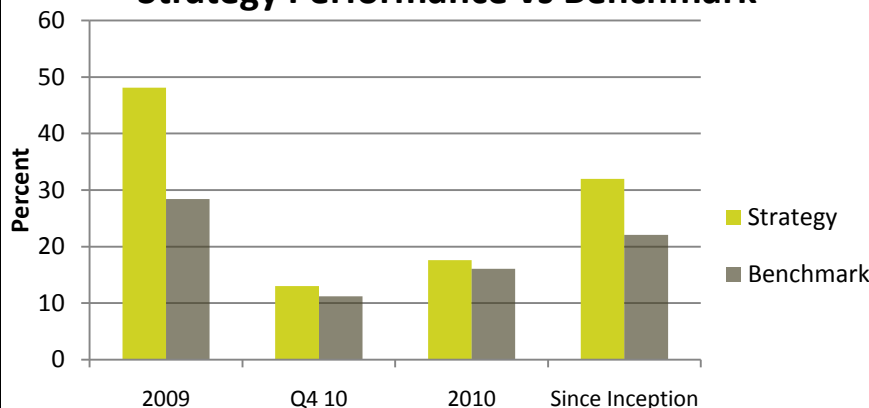
Portfolio Data as of January 3, 2011

## Top Ten Holdings

ARROW ELECTRONICS INC	ARW	3.08%
WALGREEN CO	WAG	3.04%
CONOCOPHILLIPS	COP	2.93%
CARDINAL HEALTH INC	CAH	2.76%
US BANCORP	USB	2.75%
TEXAS INSTRUMENTS INC	TXN	2.46%
TIME WARNER INC	TWX	2.44%
NEWELL RUBBERMAID INC	NWL	2.38%
SUPERVALU INC	SVU	2.33%
KEYCORP	KEY	2.30%

**26.47%**

## Strategy Performance vs Benchmark



## Sector Weights



- Technology 17.27%
- Financials 15.00%
- Healthcare 14.50%
- Consumer Discretionary 12.42%
- Energy 11.69%
- Producer Durables 11.01%
- Consumer Staples 9.68%
- Materials and Processing 4.37%
- Utilities 4.05%

## Performance History

Periods > 1 year are annualized

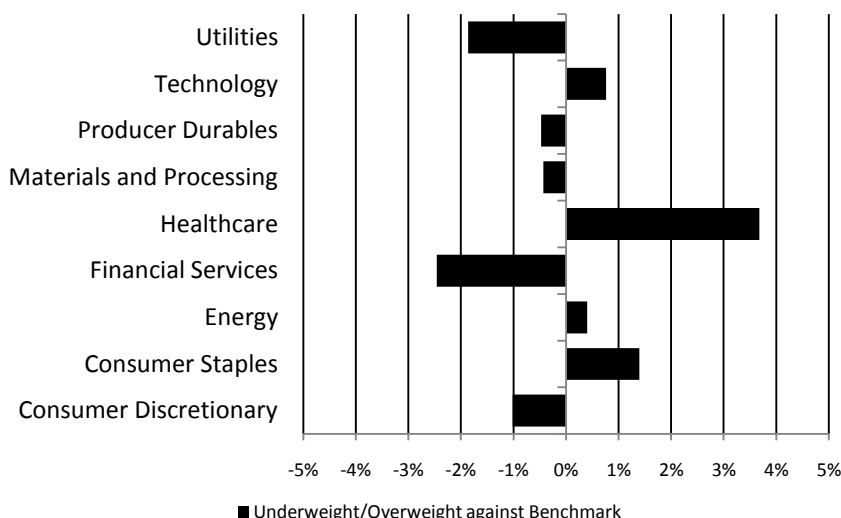
	2009	Q4 10	2010	Since Inception
Strategy	48.1	13.0	17.6	32.0
Benchmark	28.4	11.2	16.1	22.1

## Portfolio Statistics

Strategy Bnchrk

Portfolio turnover rate	45%	
Number of holdings	57	1000
T12M Dividend Yield†	1.39	1.75
T12M Price/Earnings†	13.76	16.34
Forward P/E†	11.92	14.00
Price/Book†	3.57	2.30
Price/Sales†	1.45	1.37
Price/Cash Flow†	14.66	8.98
5 Year Ave Return on Equity†	18.34	
5 Year Trailing Ave EPS growth†	54.48	
Forward EPS Growth†	10.79	11.70
Weighted Ave Market Cap (Bil)	\$ 33.0	\$ 78.71
Alpha ~	11.28	
Beta ~	0.94	
R <sup>2</sup> ~	0.89	
Sharpe ratio ~	1.60	1.09

## Sector Weights vs Benchmark



## Manager Notes

4Q10 economic data continued to support the thinking that the economy was no longer in danger of dipping back into negative territory. This data and the Federal Reserve's efforts to invigorate the economy through QE2 provided support for the markets. The fourth quarter advance in the markets was again most evident in "riskier" assets. Not only did small caps outperform large caps but cyclical sectors like Energy and Materials lead the advance. Each of our strategies handily beat their benchmarks during 4Q10, benefitting from an overweight in Energy and strong security selection.

†Data as of January 6, 2011

~ Calculated since inception