

Harmonic Small/Mid Cap Core Strategy

Strategy invests in small- and mid-cap companies that management believes are trading at a discount to their intrinsic value.

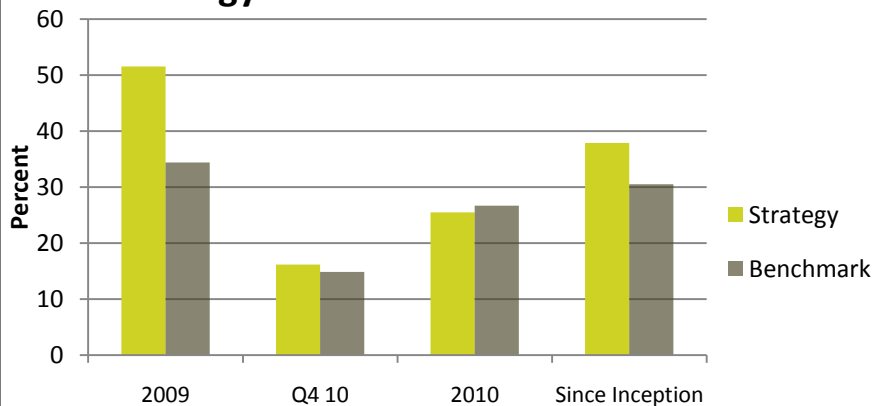
BENCHMARK: Russell 2500

Portfolio Data as of January 3, 2010

Top Ten Holdings

ARBITRON INC	ARB	2.88%
DELUXE CORP	DLX	2.78%
FOREST OIL CORP	FST	2.76%
INTERNATIONAL BANCSHARES CRP	IBOC	2.67%
VISHAY INTERTECHNOLOGY INC	VSH	2.64%
ENDO PHARMACEUT HLDGS INC	ENDP	2.56%
NATIONAL FINANCIAL PARTNERS	NFP	2.43%
SUPERIOR ENERGY SERVICES INC	SPN	2.43%
GUESS? INC	GES	2.37%
FMC CORP	FMC	2.32%
		25.83%

Strategy Performance vs Benchmark



Sector Weights



- Financials 21.2%
- Consumer Discretionary 15.1%
- Producer Durables 14.6%
- Technology 14.6%
- Healthcare 11.2%
- Energy 8.4%
- Materials and Processing 8.1%
- Utilities 3.7%
- Consumer Staples 3.0%

Performance History

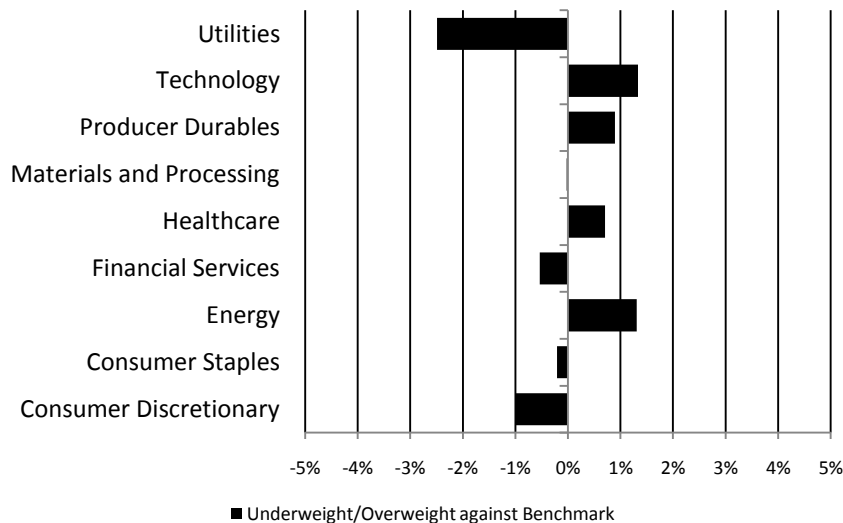
Periods > 1 year are annualized

	2009	Q4 10	2010	Since Inception
Strategy	51.6	16.2	25.5	37.9
Benchmark	34.4	14.9	26.7	30.5

Portfolio Statistics

	Strategy	Bnchmrk
Portfolio turnover rate	49%	
Number of holdings	54	2500
T12M Dividend Yield†	1.12	1.34
T12M Price/Earnings†	14.14	27.52
Forward P/E†	13.78	18.65
Price/Book†	2.59	2.08
Price/Sales†	1.46	1.07
Price to Cash Flow†	12.95	11.17
5 Year Ave Return on Equity†	10.53	
5 Year Trailing Ave EPS growth†	84.01	
Forward EPS Growth†	11.35	14.22
Weighted Ave Market Cap (Bil)	\$ 2.54	\$ 2.720
Alpha ~	8.35	
Beta ~	0.97	
R ² ~	0.94	
Sharpe ratio ~	1.58	1.27

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