
HARMAN INVESTMENT ADVISORS

Global Investment Performance Standards GIPS®

Composites Maintained by the Firm

September, 2007

Purpose:

“The Global Investment Performance Standards were developed by the CFA Institute (formerly the Association for Investment Management and Research) in partnership with many other organizations worldwide and with experts from a variety of fields within the global investment industry. The Standards were developed in order to provide an ethical framework for the calculation and presentation of the investment performance history of an investment management firm. The GIPS standards are a voluntary set of standards based on the fundamental principles of full disclosure and fair representation. Through voluntary compliance, firms can build an environment of credibility and trust in the investment industry.” Global Investment Performance Standards, GIPS® Handbook, Second Edition, 2006, pg.1.

Composites

The **Core Equity I** composite was established in July, 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. The benchmark for the Core Equity I composite is the Standard & Poor’s 500 total return index. The composite’s dispersion is measured using an asset weighted standard deviation of returns in the composite. Over the years, the Core Equity I composite has been referred to as the Equity Composite, Core Equity, and Core Equity I composite.

The **Balanced** composite was established in December, 2002. It composites a single account with common stocks managed similar to those in the Core Equity I composite and fixed income securities that were deposited to the account at its inception. The benchmark for the Balanced composite is the Standard & Poor’s 500 total return index. The composite was terminated in December, 2003.