

# HARMAN INVESTMENT ADVISORS

Core Equity I Composite  
September 30, 1991 (quarter of inception) through March 31, 2008

| Year | Gross of Fees Return (percent) | Net of Fees Return (percent) | S&P 500 index † (percent) | Number of accounts | Standard deviation | Total Composite Assets End of Period (\$ millions) | Total Composite Assets as a Percent of company assets | "Bundled Fee" Accounts as a Percent of composite assets |
|------|--------------------------------|------------------------------|---------------------------|--------------------|--------------------|--|---|---|
| 1991 | 1.01                           | 0.80                         | 14.18                     | 1                  | N/A                | 0.113  | 100.00  | 0.00  |
| 1992 | 25.72                          | 24.68                        | 7.62                      | 1                  | N/A                | 0.142  | 16.60   | 0.00  |
| 1993 | 18.69                          | 17.56                        | 10.08                     | 2                  | 3.73               | 0.725  | 30.99   | 0.00  |
| 1994 | 3.61                           | 2.63                         | 1.32                      | 4                  | 1.90               | 0.525  | 30.14   | 0.00  |
| 1995 | 32.36                          | 31.16                        | 37.58                     | 5                  | 4.45               | 2.372  | 69.77   | 0.00  |
| 1996 | 20.39                          | 19.03                        | 22.96                     | 6                  | 1.23               | 2.976  | 72.50   | 0.00  |
| 1997 | 16.17                          | 15.15                        | 33.36                     | 6                  | 5.55               | 3.195  | 75.59   | 0.00  |
| 1998 | (2.17)                         | (2.93)                       | 28.58                     | 5                  | 5.33               | 1.549  | 68.67   | 0.00  |
| 1999 | 182.59                         | 180.35                       | 21.04                     | 5                  | 28.41              | 3.081  | 81.92   | 0.00  |
| 2000 | (37.57)                        | (38.13)                      | (9.10)                    | 3                  | 2.19               | 2.475  | 78.37   | 0.00  |
| 2001 | (12.88)                        | (13.54)                      | (11.89)                   | 16                 | 4.35               | 3.256  | 96.78   | 0.00  |
| 2002 | (26.88)                        | (27.56)                      | (22.10)                   | 18                 | 2.48               | 3.396  | 87.75   | 27.82   |
| 2003 | 67.95                          | 66.40                        | 28.68                     | 20                 | 8.61               | 6.906  | 85.89   | 36.73   |
| 2004 | 24.18                          | 23.14                        | 10.88                     | 28                 | 4.32               | 17.868   | 92.82   | 68.34   |
| 2005 | 5.82                           | 5.04                         | 4.91                      | 32                 | 2.84               | 31.113   | 100.00  | 100.00  |
| 2006 | 13.96                          | 13.18                        | 15.80                     | 105                | 2.30               | 43.778   | 100.00  | 100.00  |
| 2007 | 71.88                          | 70.77                        | 5.49                      | 114                | 4.78               | 79.317   | 100.00  | 100.00  |
| 2008 | (9.19)                         | (9.34)                       | (9.44)                    | 124                | N/A                | 74.052   | 100.00  | 100.00  |

Data for 2008 is through March 31st.

† Source: Standard & Poor's. Data as of 3/31/2008. Standard & Poor's®, "S&P®", "S&P 500®", "Standard & Poor's 500", and "500" are trademarks of The McGraw-Hill Companies, Inc.

## Compliance Statement

Harman Investment Advisors Incorporated has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

## Verification

The firm and its composites were examined by KPMG LLP for each of the quarters and for each year in the period September 30, 1991 (date of inception) through December 31, 2000. The firm has been verified for the periods December 31, 2000 – March 31, 2008 by Beacon Verification Services. Additionally, the composite has received a performance exam for the same time period. A copy of the attestation (KPMG LLP) and verification (Beacon Verification Services) is available upon request.

## Definition of the Firm

Harman Investment Advisors Incorporated is registered with the U.S. Securities and Exchange Commission under the Investment Advisors Act of 1940. The firm offers investment management services to individuals and institutional investors. The firm, located in Chicago, Illinois, USA, has one office and no subsidiaries. A single, United States ("domestic") equity product is distributed through several channels.

### **List and Description of the Firm's Composites**

A complete list and description of all of the firm's composites is available upon request.

### **Formal Description of the Core Equity I Composite**

The Core Equity I composite was created on June 30, 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. Over the years, the Core Equity I composite has been referred to as the Equity Composite, Core Equity, and Core Equity I composite. The return figures presented above are time-weighted rates-of-return and reflect the reinvestment of all dividends and other earnings, i.e., these are "total return" figures.

### **Currency**

Valuations are computed and performance reported in United States dollars ( \$ ).

### **Presence, Use, and Extent of Leverage or Derivatives**

The Core Equity Composite I does not employ leverage or derivatives.

### **Benchmark**

The benchmark for the Core Equity I composite is the Standard & Poor's 500 total return index, i.e., including reinvestment of dividends.

### **Measure of Dispersion**

The composite's dispersion is measured using an asset weighted standard deviation of returns in the composite.

### **Fee Schedule**

Harman Investment Advisors standard fee is 1.00% of assets under management.

### **Bundled Fee Portfolios / Other Fees**

All current clients employ fee-in-lieu-of-commission brokerage accounts. The fee paid to the broker-dealer cover the registered representatives services, brokerage execution, and custody. Various other fees may also be charged by a broker-dealer and / or custodian. For example, wire fees.

Gross performance figures are presented (a) gross of investment management fees and withholding taxes and (b) net of all custodial fees, trading expenses and other fees. Net performance figures are presented (a) gross of withholding taxes and (b) net of all investment management fees, custodial fees, trading expenses, and other fees.

### **Additional Information**

Additional information regarding the firm's policies and procedures for calculating and reporting performance returns is available upon request.

**Past performance is not a guarantee of future results.**

**The investment results shown are not necessarily representative of an individually managed account's rate-of-return.**