

# MONEYWATCH

## ADVISORS

S p e c i a l E d i t i o n

**Innovation is the specific instrument of entrepreneurship. The act that endows resources with a new capacity to create wealth.**

**-Peter Drucker**

Fund Highlights

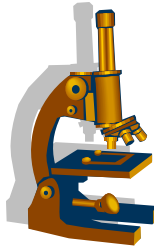
**Harris & Harris Group**

Symbol: TINY

Objective: Long-term Growth

Fund Type: Venture Capital Firm

Risk: Aggressive



### What You Own & Why

Over the next several months we will include this 'special edition' along with our usual monthly newsletter. Our goal is to help you be a more informed investor; detailing the assets you own, their investment objectives and why we have chosen them for your portfolio. We invite you to offer feedback and ask us any additional questions you may have.

## Harris & Harris Group, Inc.

Harris & Harris Group, Inc. is a venture capital firm publicly traded on the Nasdaq exchange. As one of the most active nanotechnology investors in the world, the group focuses exclusively on companies working with tiny-technology. The group funds seed, start up, early stage, and mid venture investments of companies that are focusing on nanotechnology, microsystems, and microelectromechanical systems technology.

The properties of materials are different at the nanoscale. Gold was commonly used to color glass red when creating stained glass art during the middle ages. Although bulk gold appears metallic yellow the difference in color is attributed to the size of the gold particles incorporated. Gold nanoparticles actually contain fewer atoms than gold in bulk so the electrons absorb less light and show themselves through different colors. Harris & Harris Group, Inc. is invested in companies which are working on developing technologies that exploit these phenomena.

Nanotechnology is broadly relevant to many market applications and has the potential to provide different benefits to several areas. It is difficult to determine which application will be valued the highest; the group has built a portfolio of companies that span the diverse set of market opportunities for nanotechnology. These include cleantech, electronics, healthcare, photonics and component materials. The group looks for companies who have experienced management, are focused on high-value intermediates or end products and intellectual property. The group believes that its support of companies involved in the study and development of nanotechnology will enable improved product capability and manufacturing productivity. Three years ago, in 2007, \$147 billion in nanotechnology-enabled products were sold. Projected sales for 2015 are \$3.1 trillion.