

HARDER MANAGEMENT COMPANY, INC.

FIRM BROCHURE

(PART 2A OF FORM ADV)

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This brochure provides information about the qualifications and business practices of Harder Management Company, Inc. ("HMC"). If you have any questions about the contents of this brochure, please contact us at: (781) 863-2300, or by email at: torrenceharder@gmail.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

HMC is registered with the SEC as an investment adviser under the Investment Adviser's Act of 1940, as amended. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about HMC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Material Changes since the Last Annual Update

This brochure does not contain any material changes to HMC's last brochure dated March 31, 2011.

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ITEM 4: ADVISORY BUSINESS

Firm Description and Principal Owners

Harder Management Company, Inc. ("HMC") is a Massachusetts corporation with its principal office at 76 Bedford Street, Suite 23, P.O. Box 639, Lexington, MA 02420. HMC is registered as an investment adviser with the Securities and Exchange Commission (the "SEC") and is subject to the rules and regulations governing registered investment advisers under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

HMC has been in business since 1971 and is owned by Torrence C. Harder.

Types of Advisory Services

HMC provides advisory services to high net worth individuals, pension plans and individual retirement accounts (IRAs) and two pooled investment vehicles each of which holds only one investment (each a "Fund" and collectively, the "Funds"). HMC provides investment advice with respect to fixed-income securities, public equity securities and investments in private companies.

HMC believes that the single most important investment criterion is the quality of the entrepreneurial talent managing human enterprise. The size of the market opportunity and the uniqueness of the approach to that market are also important criteria. In the present economic environment, HMC believes that companies competing freely and managed carefully with entrepreneurial enthusiasm create unique future value and serve mankind.

Tailored Relationships

HMC tailors its advisory services to the individual needs of clients and manages businessmen risk accounts with close attention to tax consequences. Clients may impose restrictions on investing in certain securities or types of securities.

Wrap Fee Programs

HMC does not participate in any wrap fee programs.

Assets Under Discretionary and Non-Discretionary Management

As of December 31, 2011, HMC had \$42,360,000 in assets under management, all of which it manages on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

Description of Fees and Fee Billing

HMC generally charges the separate accounts that it manages management fees at the rate of 1% or less per annum of the net asset value of a client's account. Management fees are typically paid semi-annually in arrears. Management fees will be pro-rated if HMC provides management services for less than a full semi-annual period to any client. Management fees are deducted directly from a client's account.

HMC's affiliate, Entrepreneurial Ventures Inc., charges a performance based fee to the Funds as described under Item 6 below.

Other Fees or Expenses

In addition to HMC's management fees, clients are also responsible for any trading costs and custodial fees. Furthermore, in the event that clients' accounts are invested in other pooled investment vehicles (e.g. mutual funds, ETFs, other private funds etc.) clients may be charged management and/or performance based fees, trading costs, and administrative expenses that are in addition to the fees charged by HMC.

Other Commissions and Sales Charges

Neither HMC nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As general partner of the Funds, HMC's affiliate, Entrepreneurial Ventures, Inc., charges a performance based fee to each of the Funds equal to 20% of the appreciation of the single investment held by each Fund. Although HMC's other accounts are only charged an asset based management fee, HMC does not believe that its management of these accounts and the Funds creates a conflict of interest because HMC does not allocate investments among the Funds and these accounts as the Funds were each formed to hold only one investment and will not acquire any additional investments.

ITEM 7: TYPES OF CLIENTS

HMC provides advisory services to high net worth individuals, pension plans and individual retirement accounts (IRAs) and the Funds. HMC does not impose any

requirements for opening or maintaining an account such as minimum account size.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

HMC provides investment advice with respect to fixed-income securities, public equity securities and investments in private companies.

HMC believes that the proven method of preserving and enhancing capital is to buy bargains, but that to reasonably define a bargain is difficult. HMC pursues the following three analytical endeavors on behalf of its clients:

1. Selection of standard senior fixed income securities that meet exacting tests of safety as determined by HMC.
2. Discovery of public earnings growth companies that in terms of their corporate circumstance and entrepreneurial leadership HMC believes offer above average returns with below average risks.
3. Venturing of private equity investments focused on computers and/or finance.

In all investments, HMC seeks entrepreneurs who have a demonstrated ability to grow earnings. HMC believes that management teams that have consistently increased past earnings are likely to do so in the future.

HMC believes that the single most important investment criterion is the quality of the entrepreneurial talent managing human enterprise. The size of the market opportunity and the uniqueness of the approach to that market are also important criteria. In the present economic environment, HMC believes that companies competing freely and managed carefully with entrepreneurial enthusiasm create unique future value and serve mankind.

Risk of Loss

Early Stage Companies. Some of the companies in which HMC may cause its clients to invest may be in the early stage of development and have limited operating histories. Investments in such businesses may have more risk than an investment in a more seasoned company because of such factors as lack of operating history, inexperienced management, lack of revenues and undeveloped or untested products or markets. In order to achieve profitability, such companies will need successfully to develop,

manufacture and/or market their products or services. The time frame necessary to achieve market success for products or services could be long and uncertain. Investors will have no assurance that such companies' products or services can be successfully developed or manufactured at an acceptable cost and with appropriate quality that will enable such products or services to be marketed profitably.

Small Companies. Small companies in which HMC's clients may invest may involve greater risks and volatility than those of more traditional equity investments due to some of these companies potentially having limited product lines, markets or financial resources, reduced market liquidity for the trading of their shares, and less depth in management than more established companies. In addition, information regarding these small companies may be less available or incomplete or inaccurate.

Long-Term Investments; Lack of Portfolio Liquidity. There may be no readily available market for many of a client's investments. These investments are subject to various risks, particularly the risk that the client will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. Disposition of such investments may require a lengthy time period or may result in distributions in kind to clients.

Reliance on Management of Portfolio Investments. While it is the intent of HMC to invest in companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully. Although HMC will monitor the performance of each client investment, each client will rely upon operating management to operate a portfolio company on a day-to-day basis.

Material Non-Public Information. By reason of its investment in a company or otherwise, HMC may acquire confidential or material non-public information that it may be unable to act upon, or otherwise be restricted from initiating transactions that it otherwise might have initiated or from selling a client's portfolio investment that it otherwise might have sold.

Economic and Market Risk. Companies in which a client invests may be sensitive to general downward swings in the overall economy or in a particular industrial or economic sector. A recession or adverse development in the securities markets might have an adverse impact on some or all of a client's portfolio investments. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by HMC on behalf of a client or considered for prospective investment. HMC may rely upon its own or a portfolio company's projections concerning an investment's future performance in making investment decisions. Such projections are inherently subject to uncertainty and factors beyond the control of a portfolio company and HMC.

Fixed-Income Investments. The value of fixed-income securities that may be held by a client may change as the general levels of interest rates fluctuate. When interest rates decline, the value of fixed-income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline. Investments in lower rated or unrated fixed-income securities, while generally providing greater opportunity for gain and income than investments in higher rated securities, usually are less liquid, more volatile and entail greater risk (including the possibility of default or bankruptcy of the issuers of such securities). In addition, the markets for such securities may be limited. No assurance can be given that fixed income securities purchased on behalf of a client will continue to earn yields comparable to those earned historically, nor can any assurance be given that issuers whose obligations a client acquires will make payment on such obligations as they become due.

ITEM 9: DISCIPLINARY INFORMATION

HMC has no legal or disciplinary events to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Registration

HMC does not have a registration or an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Futures, Commodity Pool Operator, Commodity Trading Advisor

HMC does not have a registration or an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Related Person Arrangements

Neither HMC nor any of its management persons have any relationship or arrangement with a related person that is material to HMC's advisory business or to its clients it has not otherwise disclosed.

Arrangements with Other Investment Advisers

HMC does not recommend or select other investment advisers for its clients nor does it have any other business relationships with any other advisers that create a material conflict of interest.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

HMC has adopted a Code of Ethics (the “Code”) in accordance with Rule 204A-1 of the Advisers Act. A copy of the Code is available to clients upon request without charge. The purpose of the Code is to set forth certain key guidelines that have been adopted by HMC as office policy for the guidance of all personnel and to specify the responsibility of all employees of HMC to act in accordance with their fiduciary duty to HMC's clients and to comply with applicable federal and state laws and regulations. The Code requires that all employees conduct themselves in accordance with high ethical standards, which should be premised on the concepts of integrity, honesty and trust, and in full compliance with all applicable federal and state laws and regulations concerning the securities industry. In addition to the personal trading requirements, the HMC Code of Ethics also addresses the following areas:

- Confidential Information
- Material Non-Public Information
- Fiduciary Duty and Conflicts of Interest
- Unfair Treatment of Certain Clients vis-à-vis Others

Participation or Interest in Client Transactions

Fiduciary Duty and Conflicts of Interest: HMC and its employees have a fiduciary duty to HMC's clients to act for the benefit of the clients and to take action on the clients' behalf before taking action in the interest of any employee or HMC. HMC and its employees must act for the clients' benefit and treat the clients fairly. The manner in which any employee discharges its fiduciary duty and addresses a conflict of interest depends on the circumstances. Sometimes general disclosure of common conflicts of interest may suffice. In other circumstances, explicit consent of the client to the particular transaction giving rise to a conflict of interest may be required or an employee may be prohibited from engaging in the transaction regardless of whether the client consents.

The duty to disclose and obtain a client's consent to a conflict of interest must always be undertaken in a manner consistent with the employee's duty to deal fairly with the client. Therefore, even when taking action with a client's consent, each employee must always seek to assure that the action taken is fair to the client.

Recommending to Clients Securities in Which HMC has a Material Financial Interest: HMC and its related persons generally do not recommend to clients, or buy or sell for client

accounts, securities in which HMC or a related person has a material financial interest. HMC did offer its clients the opportunity to invest in each of the Funds, both of which are now closed to further investment. HMC did not have discretion to invest a client's assets in the Funds and HMC only offered the investment to clients for which HMC believed that it might be an appropriate investment. Prior to accepting any investment in a Fund from a client, HMC delivered to the client the applicable Fund's offering documents which disclosed the performance fees applicable to investors in such Fund and all risks associated with an investment in such Fund.

Personal Trading

HMC employees are allowed to buy and sell securities for their own accounts. Each employee must submit an initial holdings report disclosing to the Chief Compliance Officer the identities, amounts, and locations of all securities owned in all accounts in which he or she has a "beneficial ownership interest." In addition, each employee must disclose similar information within thirty (30) days after the end of each calendar year while employed by HMC. Such reports must be current as of a date not more than 45 days prior to the employee joining the company (for an initial report) or the date the report is submitted (for the annual report). Each employee must report to the Chief Compliance Officer within 30 days after the end of each calendar quarter all securities transactions in all of the employee's covered accounts during the preceding quarter.

ITEM 12: BROKERAGE PRACTICES

Selecting Brokerage Firms

When placing trades on behalf of a client, HMC has a fiduciary duty to seek to obtain the best execution possible for the client. While a primary criterion for all transactions in portfolio securities is the execution of orders at the most favorable net price, numerous additional factors may be considered when arranging for the purchase and sale of clients' portfolio securities. In determining the abilities of the broker-dealer to obtain best execution of a particular transaction, HMC will consider all relevant factors including the execution capabilities required by the transaction(s), the ability and willingness of the broker-dealer to facilitate the account's portfolio transactions promptly and at reasonable expense, the importance to the account of speed, efficiency or confidentiality, the broker-dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold, as well as any other matters HMC deems relevant to the selection of a broker-dealer for a particular portfolio transaction of the account.

Transactions on behalf of a client account held in custody by a brokerage firm are effected through such custodial brokerage firm.

Research and Other Soft Dollar Benefits

HMC does all of its own research and does not receive research or other products or services other than execution from any broker-dealer in connection with client securities transactions.

Brokerage for Client Referrals

HMC does not consider whether it receives client referrals from a broker in selecting broker-dealers.

Directed Brokerage

HMC does not recommend, request or require that a client direct HMC to execute transactions through a specified broker-dealer.

Trade Aggregation and Allocation

Allocation. Allocations of investment opportunities among client accounts are made in a fair and equitable manner. To the extent a particular investment is suitable for multiple clients, such investments will be allocated among such clients pro rata based on assets under management or in some other manner which HMC determines is fair and equitable under the circumstances to all clients. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among clients in an equitable manner as determined by HMC.

No allocations may be made to an account or set of accounts based on account performance or the amount or structure of fees. Allocations of limited opportunity investments such as IPO's will be allocated among eligible accounts in the same manner as other securities.

Aggregation. HMC may aggregate orders for the purchase or sale of securities on behalf of a client with orders on behalf of other portfolios it manages, or with orders for HMC's own account. Securities purchased or proceeds of securities sold through aggregated orders are allocated to the account of each portfolio that bought or sold such securities at the average execution price. If less than the total of the aggregated orders is executed, purchased securities or proceeds will generally be allocated pro rata among the participating portfolios in proportion to their planned participation in the aggregated orders. Transaction costs for any transaction are shared pro rata based on each portfolio's participation in the transaction.

ITEM 13: REVIEW OF ACCOUNTS

Periodic Reviews

Accounts are reviewed continuously by HMC's President.

Regular Reports

In the case of HMC's separate account clients, written monthly statements are issued by the qualified custodian holding each separate account's assets. Each client of HMC also receives a written semi-annual appraisal report and a capital gain and loss statement for each tax year. Investors in the Funds receive audited year-end financial statements.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

HMC does not have any arrangements under which it or a related person compensate another for client referrals. HMC does not have any arrangements under which it receives any economic benefit, including sales awards or prizes.

ITEM 15: CUSTODY

With respect to HMC's separate account clients, HMC does not have custody of client funds or securities which are held on behalf of each client by a qualified custodian.

A qualified custodian has custody of the assets of the Funds. However, as the general partner of the Funds, a related party of HMC is deemed to have custody of the Funds' securities. As described above under Item 13, investors in the Funds receive audited year-end financial statements.

ITEM 16: INVESTMENT DISCRETION

HMC has full investment discretion for the client portfolios that it manages. Such discretion is granted by each client under the investment management agreement between each client and HMC. However, in the future it may manage funds, enter into managed account relationships and/or manage accounts on a non-discretionary basis.

ITEM 17: VOTING CLIENT SECURITIES

HMC does not have authority to vote client securities. Clients will receive their proxies or other solicitations directly from either their qualified custodian or a transfer agent or, if sent to HMC, from HMC. If clients have any questions about a particular solicitation they may contact HMC's President at (781) 863-2300.

ITEM 18: FINANCIAL INFORMATION

This item is not applicable because HMC does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Please refer to HMC's fee disclosure at Item 5 of this brochure.

HMC has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

This item is not required as HMC is a federally registered investment adviser.
