

**FORM ADV****Part II - Page 1****Uniform Application for Investment Adviser Registration****OMB APPROVAL**

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hours per response. . . . . 4.07

Name of Investment Adviser:					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number: ( )

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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**(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)**

**Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.**

**FORM ADV**  
**Part II - Page 2**

Applicant:

SEC File Number:  
801-

Date:

- 1. A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |                          |     |   |       |   |
|--------------------------|-----|---|-------|---|
| <input type="checkbox"/> | (1) | Provides investment supervisory services .....  | _____ | % |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services .....  | _____ | % |
| <input type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above ....   | _____ | % |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription .....   | _____ | % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above .....   | _____ | % |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | _____ | % |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | _____ | % |
| <input type="checkbox"/> | (8) | Provides a timing service .....   | _____ | % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above .....   | _____ | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . . ☐ Yes ☐ No

- C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                               | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other             |

- D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

- 2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> A. Individuals                      | <input type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies             | <input type="checkbox"/> G. Other (describe on Schedule F)                                  |
| <input type="checkbox"/> D. Pension and profit sharing plans |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

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**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> A. Equity securities                                       | <input type="checkbox"/> H. United States government securities     |
| <input type="checkbox"/> (1) exchange-listed securities                             | <input type="checkbox"/> I. Options contracts on:                   |
| <input type="checkbox"/> (2) securities traded over-the-counter                     | <input type="checkbox"/> (1) securities                             |
| <input type="checkbox"/> (3) foreign issuers  | <input type="checkbox"/> (2) commodities                            |
| <input type="checkbox"/> B. Warrants  | <input type="checkbox"/> J. Futures contracts on:                   |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                              |
| <input type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (2) intangibles                            |
| <input type="checkbox"/> E. Certificates of deposit                                 | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities                                    | <input type="checkbox"/> (1) real estate                            |
| <input type="checkbox"/> G. Investment company securities:                          | <input type="checkbox"/> (2) oil and gas interests                  |
| <input type="checkbox"/> (1) variable life insurance                                | <input type="checkbox"/> (3) other (explain on Schedule F)          |
| <input type="checkbox"/> (2) variable annuities                                     | <input type="checkbox"/> L. Other (explain on Schedule F)           |
| <input type="checkbox"/> (3) mutual fund shares                                     |   |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |  |  |
|--|--|
| (1) <input type="checkbox"/> Charting    | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |  |  |
|--|--|
| (1) <input type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities   | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases  |
| (4) <input type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |  |
|---|--|
| (1) <input type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales  |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant:

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Date:

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... ☐ Yes ☐ No  
(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? . ☐ Yes ☐ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☐ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

☐ ☐

(If yes, describe on Schedule F)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

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Applicant:

SEC File Number:  
801-

Date:

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| (1) securities to be bought or sold? .....               | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....                   | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                         | <input type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                                 |                                |
|---|---------------------------------|--------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? .....	Yes <input type="checkbox"/>	No <input type="checkbox"/>
--	---------------------------------	--------------------------------

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Harbert Fund Advisors, Inc.</b>	<b>801-55926</b>	<b>11/19/2009</b>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Harbert Fund Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>63-1105440</b>
Item of Form (identify)	Answer	
Part II, Item 1D (Advisory Services and Fees)	<p>Harbert Fund Advisors, Inc. ("Registrant") is the investment adviser to a number of private investment funds and hedge funds (each a "Fund" and collectively, the "Funds") that are organized as limited partnerships, limited liability companies or other business entities. Registrant provides advice and assistance to each Fund regarding, among other things, the acquisition, management and disposition of Fund investments. Registrant currently advises the following Funds:</p> <ol style="list-style-type: none"> <li>1. Harbert Emerging Markets Fund, LP</li> <li>2. Harbert Emerging Markets Offshore Fund, Ltd.</li> <li>3. Harbert Emerging Markets Master Fund, Ltd.</li> <li>4. Harbert Event Opportunities Fund, LP</li> <li>5. Harbert Event Opportunities Offshore Fund, Ltd.</li> <li>6. Harbert Event Opportunities Master Fund, Ltd.</li> <li>7. Harbert Value Fund, LP</li> <li>8. Harbert Value Offshore Fund, Ltd.</li> <li>9. Harbert Value Master Fund, Ltd.</li> <li>10. Harbert Australian Private Equity Fund I, LP</li> <li>11. Harbert European Real Estate Fund, BV</li> <li>12. Harbert European Real Estate Fund II, LP</li> <li>13. Harbinger Independent Power Fund II, LLC</li> <li>14. Harbinger Mezzanine Partners, LP</li> <li>15. Harbert Mezzanine Partners II, LP</li> <li>16. Harbert Mezzanine Partners II, SBIC, LP</li> <li>17. Harbert Power Fund III, LLC</li> <li>18. Harbert Private Equity Fund I, LLC</li> <li>19. Harbert Private Equity Fund II, LLC</li> <li>20. Harbert Real Estate Fund II, LLC</li> <li>21. Harbert Real Estate Fund III, LLC</li> <li>22. Harbert United States Real Estate Fund IV, LP</li> <li>23. Harbert Venture Partners, LLC</li> <li>24. Harbert Venture Partners II, LP</li> </ol> <p>Registrant and its affiliates have transferred the management and control of the Harbinger Funds (as defined below) effective as of March 4, 2009 to Harbinger Capital Partners LLC. Under transitional agreements, Registrant and its affiliates will continue to provide administrative and operational support for the Harbinger Funds, and be available to provide investment advisory services upon request.</p> <p>The "Harbinger Funds" mean Harbinger Capital Partners Fund I, L.P., Harbinger Capital Partners Offshore Fund I, Ltd., Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Harbinger Capital Partners Special Situations Offshore Fund, L.P.</p> <p>Depending on the particular Fund, Registrant's management fee typically ranges between 1% to 2.5% per year, is payable quarterly in advance and is generally based on: 1) total Fund assets; 2) committed capital, during an acquisition period; or, 3) called capital, during the investment period. The amount of each Fund's management fee is set forth in each Fund's advisory agreement with Registrant and also in each Fund's offering memorandum. The General Partner, Managing Member or Manager of the Fund (depending on how the Fund is organized) is an affiliate of Registrant and is entitled to receive a performance-based fee. The performance fee generally is 20% of each Fund's yearly net profit or the net appreciation of each investor's capital account, depending on the type of Fund. For some Fund clients the performance fee is not payable until investors receive a preferred</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Harbert Fund Advisors, Inc.</b>	<b>801-55926</b>	<b>11/19/2009</b>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Harbert Fund Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>63-1105440</b>
Item of Form (identify)	Answer	
	<p>return, and this is fully described in the particular Fund's governing documents. Any performance fees charged to the Funds comply with Section 205 of the Investment Advisers Act of 1940 ("Advisers Act") and the applicable rules thereunder. Additionally, certain Funds charge a redemption fee (generally 3%) if an investor withdraws capital prior to the expiration of a lock-up period.</p> <p>On occasion, Registrant also provides investment advice to institutional and high net worth investors on a separate account basis. Each separate account client negotiates the fees and scope of services to be provided by Registrant. Generally, these clients want their separate accounts to be invested and managed with the same focus as a particular Fund. Special circumstances relating to the particular needs of each separate account client, including the individual investor's requests, are taken into consideration in managing these accounts.</p> <p>The advisory agreements with each Fund or separate account are terminable generally upon 60 days' written notice to Registrant. Fees are normally prorated for the number of days in a period, with adjustments typically being made at the end of a quarter as necessary.</p> <p>Registrant or its affiliates may waive, reduce or rebate management fees or performance-based incentive compensation with respect to certain investors in the Funds. In addition, Registrant may grant rights to certain investors in the Funds including, but not limited to, key man redemption rights, most-favored nation provisions, capacity assurances, in-kind distribution provisions, reduced lock-up periods and additional reports.</p>	
Part II, Item 2G (Types of Clients)	Registrant provides investment advice to private investment funds and hedge funds that are organized as limited partnerships, limited liability companies or other business entities, as well as institutional and high net worth investors.	
Part II, Item 3K and 3L (Types of Investments)	In addition to the types of investments listed in ADV Part II, Item 3, Registrant may also invest Fund assets in securities including, without limitation, high-yield fixed income securities, distressed debt and equities, convertible securities, currencies, interest rate positions, options, futures, swaps, derivatives, synthetic instruments, repurchase agreements, loan participations, over-the-counter transactions, restricted securities and securities issued by privately held companies or other entities. Registrant also provides advice relating to private equity, venture capital and mezzanine lending investments and power generation facilities.	
Part II, Item 4A, B and C (Methods of Analysis, Sources of Information And Investment Strategies)	<p>Registrant relies on certain information derived from Registrant's operational and investment experience in specific industries, Registrant's own independent research and other third party sources. In addition, on some occasions Registrant interviews issuers to gather additional information about particular securities. Although each Private Market Fund has its own evaluation methodology for Fund investments the process generally includes an examination of the market for specific assets to determine the feasibility of selling an asset at a profit and the holding period required before the asset would become profitable.</p> <p>Investment strategies for the hedge funds include, but are not limited to, shorting stock, utilizing leverage, control positions, capital structure and convertible arbitrage, merger arbitrage, and investing in foreign, including emerging markets, securities. Certain Funds of the Registrant may also utilize side pockets, which subjects applicable Fund investments to additional withdrawal restrictions. The investment strategy of several Fund clients is implemented through a master-feeder structure.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).



**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Harbert Fund Advisors, Inc.</b>	<b>801-55926</b>	<b>11/19/2009</b>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Harbert Fund Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>63-1105440</b>
Item of Form (identify)	Answer	
Part II, Item 5 (Education and Business Standards)	Registrant requires its asset management personnel to have achieved professional credentials that Registrant deems appropriate and to hold appropriate securities licenses where required.	
Part II, Item 6 (Education and Business Background)	<p><b><u>Brendan J. Anderson</u></b>  <i>Year of Birth:</i> 1966</p> <p><i>Education:</i> MBA, with honors, Duke University (1997); Bachelor of Business degree, RMIT University, Melbourne (1989)</p> <p><i>Experience:</i> Senior Managing Director of Harbert Fund Advisors (Australia) Pty Ltd. (2008 – Present); Director, Corporate Finance, Deloitte Touche Tohmatsu (2003 – 2008); Managing Director Digital Strategy Group Pty Ltd (2001-2003)</p> <p><b><u>Michael Bauder</u></b>  <i>Year of Birth:</i> 1967</p> <p><i>Education:</i> B.S. in Economics, Florida Southern College (1991)</p> <p><i>Experience:</i> V.P. &amp; Chief Compliance Officer, Harbert Fund Advisers, Inc. (2006 – Present); V.P. &amp; Director of Compliance, HMC (2006 – Present); Chief Compliance Officer, Hancock Horizon Funds (2004 – 2006); Vice President Compliance, Hancock Investment Services, Inc. (2001 – 2006); Assistant Vice President INVEST Financial Corporation (1999 – 2000); Raymond James &amp; Associates, Inc. (1993 – 1998)</p> <p><b><u>Donald R. Beard</u></b>  <i>Year of Birth:</i> 1952</p> <p><i>Education:</i> Old Dominion University (1977)</p> <p><i>Experience:</i> Vice President &amp; Director of Investments, Private Equity, HMC (2002 – Present); Principal &amp; Managing Director, Matrix Capital Markets Group, Inc. (1991 – 2002); Chief Operating Officer, Stewart Foods (1982 – 1991)</p> <p><b><u>Robert A. Bourquin</u></b>  <i>Year of Birth:</i> 1968</p> <p><i>Education:</i> M.B.A., Vanderbilt University (1997); B.A. in Economics, Dickinson College (1990)</p> <p><i>Experience:</i> Managing Director, Mezzanine Capital, HMC (2001 – Present); Vice President, FINOVA Mezzanine Capital (1999 – 2001); Sirrom Capital Corporation (1998 – 1999)</p> <p><b><u>David A. Boutwell</u></b>  <i>Year of Birth:</i> 1953</p> <p><i>Education:</i> M.A. in Accounting, University of Alabama (1975); B.S. in Accounting, University of Alabama (1974)</p> <p><i>Experience:</i> Executive Vice President &amp; Chief Administrative Officer, Harbert Fund Advisors, Inc. (1998 – Present); Director, Executive Vice President, &amp; Chief Administrative Officer, HMC (2003 –</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Harbert Fund Advisors, Inc.</b>	801-55926	11/19/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Harbert Fund Advisors, Inc.</b>	IRS Empl. Ident. No.: <b>63-1105440</b>
Item of Form (identify)	Answer
	<p>Present); Executive Vice President &amp; Chief Administrative Officer, HMC-New York, Inc., (1998 – Present); Vice President &amp; Controller (1993 – 2002)</p> <p><b><u>William W. Brooke</u></b> <i>Year of Birth:</i> 1956</p> <p><i>Education:</i> J.D., University of Alabama School of Law (1981); B.S. in Business Management, University of Alabama (1978)</p> <p><i>Experience:</i> Director, Harbert Fund Advisors, Inc. (1998 – Present); Managing Partner, Venture Capital, HMC (2002 – Present); Director &amp; Executive Vice President, HMC (2001 – Present); Chief Operating Officer, HMC (1995 – 2001); General Counsel, HMC (1993 – 1996)</p> <p><b><u>Alan C. Fuller</u></b> <i>Year of Birth:</i> 1960</p> <p><i>Education:</i> B.S. in Industrial Management, Georgia Institute of Technology (1983)</p> <p><i>Experience:</i> Vice President &amp; Director of Investments, Domestic Real Estate, HMC (1993 – Present); Senior Asset Manager, Harbert Realty Services, Inc. (1988 – 1993); Director of Operations, Taylor &amp; Mathis (1993 – 1995)</p> <p><b><u>Raymond J. Harbert</u></b> <i>Year of Birth:</i> 1958</p> <p><i>Education:</i> B.S. in Industrial Management, Auburn University (1982)</p> <p><i>Experience:</i> Chairman of the Board, Chief Executive Officer &amp; Director, Harbert Fund Advisors, Inc. (1998 – Present); Chairman of the Board, Chief Executive Officer &amp; Director, HMC (1993 – Present)</p> <p><b><u>John C. Harrison</u></b> <i>Year of Birth:</i> 1957</p> <p><i>Education:</i> B.S. in Finance, University of Tennessee (1979)</p> <p><i>Experience:</i> Director, Vice President &amp; Senior Managing Director, Mezzanine Capital, HMC (2005 – Present); Vice President &amp; Director of Investments, HMC (2000 – Present); Vice President, Sirrom Capital Corporation (1994 – 1999)</p> <p><b><u>Wayne L. Hunter</u></b> <i>Year of Birth:</i> 1961</p> <p><i>Education:</i> J.D., University of Alabama School of Law (1986); B.S. in Business Management, Auburn University (1983)</p> <p><i>Experience:</i> Managing Partner, Venture Capital, HMC (2002 – Present); Managing Director &amp; Head of Technology Investment Banking Group, First Union (1986 – 2002)</p> <p><b><u>Sonja J. Keeton</u></b></p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
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**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Harbert Fund Advisors, Inc.</b>	801-55926	<b>11/19/2009</b>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Harbert Fund Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>63-1105440</b>
Item of Form (identify)	Answer	
	<p><i>Year of Birth:</i> 1960</p> <p><i>Education:</i> B.S. in Accounting, University of South Alabama (1985)</p> <p><i>Experience:</i> Controller, Harbert Fund Advisors, Inc. (1993 – Present); Controller &amp; Director of Corporate Tax, HMC (1990 – Present)</p> <p><b><u>Neil B. Kennedy</u></b> <i>Year of Birth:</i> 1958</p> <p><i>Education:</i> B.S. in Business Administration, State University of New York (New Paltz) (1980)</p> <p><i>Experience:</i> Vice President &amp; Senior Managing Director, Merger Arbitrage and Event Driven, HMC (2006 – Present); Managing Member, Hamilton Investment Management L.L.C. (2002 – 2005); Co-Head of Risk Arbitrage Strategy, Hamilton Partners (1996 – 2002)</p> <p><b><u>Kenneth W. Kilgroe</u></b> <i>Year of Birth:</i> 1959</p> <p><i>Education:</i> B.S. in Accounting, University of Alabama (1981)</p> <p><i>Experience:</i> Controller, Harbert Power Corporation (1987 – Present)</p> <p><b><u>Peter Land</u></b> <i>Year of Birth:</i> 1970</p> <p><i>Education:</i> M.B.A., Insead (1999); B.S. in Economics, University of Toronto (1993)</p> <p><i>Experience:</i> Principal &amp; Director of Investments, European Real Estate, HMC (2006 – Present); Director, Global Real Estate Finance, Lehman Brothers (2000 – 2006); Associate, TrizecHahn Europe, (1993 – 1998)</p> <p><b><u>Heather N. Leonard</u></b> <i>Year of Birth:</i> 1973</p> <p><i>Education:</i> B.S. in Business Administration, Concentration in Accounting, University of Connecticut (1994)</p> <p><i>Experience:</i> Vice President &amp; Managing Director, Emerging Markets, HMC (2005 – Present); Managing Director, NorthShore Asset Management, L.L.C. (2004 – 2005); Director, Phoenix Investment Counsel, Inc. (2000 – 2004); Manager / Analyst, Phoenix Equity Planning Corporation (1997 – 2000); Accountant, J&amp;S Development &amp; Management Corporation (1994 – 1997)</p> <p><b><u>Michael D. Luce</u></b> <i>Year of Birth:</i> 1952</p> <p><i>Education:</i> M.B.A., University of Michigan (1978); B.B.A. in Finance, University of Miami (1974)</p> <p><i>Experience:</i> President &amp; Chief Operating Officer, Harbert Fund Advisors, Inc. (1998 – Present); Director, President &amp; Chief Operating Officer, HMC (2004 – Present); Director, President, Chief</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Harbert Fund Advisors, Inc.</b>	801-55926	<b>11/19/2009</b>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Harbert Fund Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>63-1105440</b>
Item of Form (identify)	Answer	
	<p>Operating Officer &amp; Chief Compliance Officer, HMC (2001 – 2004); Executive Vice President &amp; Chief Financial Officer, HMC (1995 – 2001); Member of Commitment Committee, Chairman of Equity Committee &amp; Senior Managing Director of NY office, Bear Stearns &amp; Company (1981 – 1995)</p> <p><b><u>John McCullough</u></b> <i>Year of Birth:</i> 1966</p> <p><i>Education:</i> J.D., Cumberland School of Law (1993); B.A. in Economics, Washington and Lee University (1988)</p> <p><i>Experience:</i> Senior Vice President, General Counsel &amp; Secretary, Harbert Fund Advisors, Inc. (2009 – Present); Senior Vice President, General Counsel &amp; Secretary, HMC (2009 – Present); Vice President &amp; Associate General Counsel, HMC (2006 – 2009); V.P. &amp; Associate General Counsel, Vesta Insurance Group, Inc. (2001 – 2006); Associate and Partner, Balch &amp; Bingham LLP (1996 – 2000); Associate, Baker, Donelson, Bearman &amp; Caldwell (1993 – 1996)</p> <p><b><u>Charles D. Miller</u></b> <i>Year of Birth:</i> 1957</p> <p><i>Education:</i> B.S. in Civil Engineering, Auburn University (1980)</p> <p><i>Experience:</i> Executive Vice President &amp; Chief Financial Officer, Harbert Fund Advisors, Inc. (2001 – Present); Director, Executive Vice President &amp; Chief Financial Officer, HMC (2003 – Present); Vice President &amp; Treasurer, HMC (1993 – 2002)</p> <p><b><u>Patrick E. Molony</u></b> <i>Year of Birth:</i> 1954</p> <p><i>Education:</i> B.S. in Economics, Auburn University (1976)</p> <p><i>Experience:</i> Vice President, Harbert Power, LLC (2004 – Present); Vice President, Harbert Power Corporation (1996 – 2003)</p> <p><b><u>Wayne B. Nelson, III</u></b> <i>Year of Birth:</i> 1954</p> <p><i>Education:</i> M.B.A., University of Virginia (1981); B.S. in Engineering, Auburn University (1976)</p> <p><i>Experience:</i> President &amp; Chief Executive Officer, Harbert Power, LLC (2004 – Present); President &amp; Chief Executive Officer, Harbert Power Corporation (1994 – 2003)</p> <p><b><u>Todd D. Nunnolley</u></b> <i>Year of Birth:</i> 1975</p> <p><i>Education:</i> B.S. in Commerce &amp; Business Administration, University of Alabama (1997)</p> <p><i>Experience:</i> Vice President &amp; Senior Managing Director Value Fund, HMC (2007 – Present); Vice President &amp; Director of Investments, HMC (2001 – Present); Director of Investments, HMC (2000 – 2001); Analyst, HMC (1999 – 2000); Corporate Finance Analyst, The Robinson-Humphrey</p>	

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**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Harbert Fund Advisors, Inc.</b>	<b>801-55926</b>	<b>11/19/2009</b>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Harbert Fund Advisors, Inc.</b>	IRS Empl. Ident. No.: <b>63-1105440</b>
Item of Form (identify)	Answer
	<p>Company (1997 – 1999)</p> <p><b><u>Scott O'Donnell</u></b> <i>Year of Birth:</i> 1963</p> <p><i>Education:</i> B.A., George Washington University (1986)</p> <p><i>Experience:</i> Vice President &amp; Senior Managing Director, European Real Estate, HMC (2002 – Present); Managing Director, Credit Suisse First Boston (London) (2000 – 2002); Director, Deutsche Bank's Real Estate Private Equity Group (1997 – 2000)</p> <p><b><u>Joel B. Piassick</u></b> <i>Year of Birth:</i> 1940</p> <p><i>Education:</i> L.L.B., University of Virginia School of Law (1965); B.A. in Political Science, Tulane University (1962)</p> <p><i>Experience:</i> Executive Vice President, Harbert Fund Advisors, Inc. (2009 – Present); Executive Vice President &amp; General Counsel, Harbert Fund Advisors, Inc. (2008 – 2009); Executive Vice President, Harbert Fund Advisors, Inc. (2006 – 2008); Director, Executive Vice President, &amp; Secretary, Harbert Fund Advisors, Inc. (1998 – 2005); Executive Vice President, HMC (2009 – Present); Executive Vice President &amp; General Counsel, HMC (2008 – 2009); Executive Vice President &amp; Assistant Secretary, HMC (2006 – 2008); Executive Vice President, General Counsel, &amp; Secretary, HMC (2000 – 2005); Vice President &amp; Director of Investments, HMC (1998 – 2000); Counsel, Kilpatrick Stockton LLP (2004 – Present); Partner, Kilpatrick Stockton LLP (1990 – 2003)</p> <p><b><u>Brent G. Ray</u></b> <i>Year of Birth:</i> 1964</p> <p><i>Education:</i> M.B.A., Vanderbilt University (1994); B.S. in Economics, University of Georgia (1986)</p> <p><i>Experience:</i> Managing Director, Mezzanine Capital, HMC (2001 – Present); Vice President, Sirrom Capital Corporation (1997 – 1999)</p> <p><b><u>Roque Rotaecche</u></b> <i>Year of Birth:</i> 1975</p> <p><i>Education:</i> M.B.A., Instituto de Empresa (1999); B.A. in Business Studies, London Guildhall University (1997)</p> <p><i>Experience:</i> Principal &amp; Director of Investments, European Real Estate, HMC (2007 – Present); Institutional Investment Director, CB Richard Ellis (2000 – 2007)</p> <p><b><u>John S. Scott</u></b> <i>Year of Birth:</i> 1963</p> <p><i>Education:</i> B.S. in Accounting, University of Kentucky (1985)</p> <p><i>Experience:</i> Managing Director, Mezzanine Capital, HMC (2000 – Present); Vice President, Finova Mezzaine/Sirrom Capital (1994 – 2000); Vice President, Bank One, NA (1991 – 1994)</p>

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**Continuation Sheet for Form ADV Part II**

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Harbert Fund Advisors, Inc.</b>	IRS Empl. Ident. No.: <b>63-1105440</b>
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Item of Form (identify)	Answer
Part II, Item 8C & 8D (Affiliations)	<p><b><u>Jeremy E. Steele</u></b> <i>Year of Birth: 1973</i></p> <p><i>Education:</i> Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia (1997); Bachelor of Commerce, University of Adelaide (1993)</p> <p><i>Experience:</i> Senior Managing Director of Harbert Fund Advisors (Australia) Pty Ltd. (2009 – Present); Executive Director and Head of ANZPE, affiliate of ANZ Bank, (2004 – 2009)</p> <p><b><u>Michael P. White</u></b> <i>Year of Birth: 1956</i></p> <p><i>Education:</i> B.S. in Civil Engineering, University of Florida (1979)</p> <p><i>Experience:</i> Vice President &amp; Director of Investments, Domestic Real Estate, HMC (1998 – Present); Director of Strategic &amp; Financial Planning, Harbert Corporation (1983 – 1993)</p> <p>(NOTE: The above personnel may also serve similar roles for affiliates of HMC)</p> <p>Registrant has material business relationships with several entities. Registrant is a wholly owned subsidiary of Harbinger Corporation, an Alabama corporation, which in turn is controlled by Harbert Management Corporation, an Alabama corporation (“HMC”). HMC organizes or sponsors private investment companies or hedge funds to which Registrant provides investment advisory services. These Funds are organized as limited partnerships, limited liability companies or other legal entities. The Funds invest in various asset classes including: independent power facilities, domestic and foreign real estate, venture capital, private equity, mezzanine capital and hedge funds that utilize alternative investment strategies such as distressed and event driven, special situations, merger arbitrage, capital structure and convertible arbitrage, long/short equity, market neutral, emerging markets and global macro.</p> <p>Registrant’s affiliated broker-dealer, HMC Investments, Inc., member FINRA &amp; SIPC, serves as the placement agent for these Funds in the United States.</p> <p>Material business relationships with other affiliated entities under common control of HMC includes:</p> <ul style="list-style-type: none"> <li>• The Harbinger Group JV, an SEC registered investment adviser;</li> <li>• HMC – Birmingham, Alabama (Headquarters; Investment teams for Private Equity, Real Estate (domestic), Value Fund (hedge fund), and Venture Capital);</li> <li>• Harbert Power LLC – Birmingham, Alabama (Power Asset and Power Funds Management);</li> <li>• HMC – Nashville, Tennessee (Investment team for Mezzanine Lending);</li> <li>• HMC - New York, Inc. – New York, NY (Investment teams for Hedge Funds);</li> <li>• HMC Virginia, Inc. – Richmond, Virginia (Investment team for Venture Capital);</li> <li>• Harbert Realty Services, Inc. – Birmingham, Alabama (Registered real estate broker, Commercial Real Estate Services and Development);</li> <li>• Harbert Realty Services, Inc. – Dallas, Texas (Commercial Real Estate Services and Development);</li> <li>• Harbert Realty Services, Inc. – Nashville, Tennessee (Commercial Real Estate Services and Development);</li> <li>• Harbert Realty Services, Inc. – Maitland, Florida. (Commercial Real Estate Services and Development); and</li> </ul>

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**Continuation Sheet for Form ADV Part II**

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Item of Form (identify)	Answer	
Part II, Item 9A, D & E (Participation or Interest in Client Transactions)	<p>· Harbert Management Corporation (Europe), LLC – London, England (European Real Estate); Madrid, Spain (European Real Estate); and Paris, France (European Real Estate).</p> <p>Registrant (or its principals, officers, affiliates and employees) may also act as investment adviser or general partner for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities (including, without limitation, through the creation of new funds with similar or different investment strategies) and may serve as an officer, director, consultant, partner or stockholder of one or more investment partnerships, securities firms or advisory firms. In doing so, Registrant may give advice, take action and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular private fund, hedge fund or other client. In addition, Registrant may recommend or effect transactions in securities for clients in which it or its principals, officers, affiliates or employees may transact for its or their own account. Registrant does require, however, that its asset management personnel submit brokerage statements and confirmations from their personal trading accounts in order for Registrant to monitor the personal trading activities of its employees, principals, officers and certain affiliates to eliminate or manage conflicts of interest.</p> <p><b>Incentive Allocation</b></p> <p>The performance-based fee received by Registrant affiliates (general partner, managing member or manager, as applicable) for managing a Fund for which Registrant serves as investment adviser, may create an incentive for the general partner, managing member or manager, as applicable, to cause a Fund to make investments that are riskier or more speculative than would be the case if this amount was not so allocated, or to overstate the value of illiquid or hard-to-value investments. Since the allocation is calculated on a basis which includes unrealized appreciation of assets, such allocation may be greater than if it were based solely on realized gains. Registrant monitors these potential conflicts through Risk Management and Compliance procedures.</p> <p><b>“Warehoused” Principal Trades</b></p> <p>On occasion, Registrant will identify what it believes will be an attractive investment for a Private Market Fund, for which it serves as investment adviser, before the Private Market Fund’s initial closing or before the investment could be acquired by that Fund. Under these circumstances, an affiliate of the Registrant – typically a company established specifically to hold such an investment – will acquire the investment and “inventory” or “warehouse” it until the Private Market Fund’s initial closing is complete or until the Fund may acquire the investment in accordance with ERISA or other regulatory requirements. Following the closing, the related holding company will transfer the investment to the Private Market Fund at cost plus transaction expenses, plus interest. All warehoused investments are disclosed to potential investors before a Private Market Fund closing in the Fund’s offering memoranda or supplements to its offering memoranda. Any warehoused transaction not disclosed to investors prior to investment would require consent by unaffiliated investors or by a representative advisory board.</p> <p>Registrant does not anticipate making any principal trades between and among the hedge funds or separate accounts. If such a situation arises Registrant will comply with Section 206(3) of the Advisers Act.</p> <p><b>Agency Cross Trades</b></p> <p>From time to time Registrant may recommend that one Fund or account buy a security from, or sell a</p>	

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	<p>security to, another Fund or account, when such a trade is consistent with the investment objectives and strategies of both Funds or accounts. When Registrant acts as advisor for both Funds or accounts in a cross trade, Registrant will not receive any compensation from the transaction. Registrant will attempt to locate an independent broker-dealer to execute cross trades.</p> <p><b>Registrant Code of Ethics</b></p> <p>Registrant is subject to the Code of Ethics that has been adopted by HMC. The Code of Ethics sets forth certain standards of business conduct expected of employees and covers a number of business-related areas including but not limited to: 1) employee personal trading, including pre-clearance requirements, a restricted trading list, black-out periods and employee reporting requirements; 2) the giving and receiving of gifts and gratuities; and 3) a prohibition on insider trading. A copy of HMC's Code of Ethics is available upon request.</p> <p><b>Securities Law Reporting Requirements &amp; Short-Swing Profits</b></p> <p>Applicable securities law may, in certain circumstances, require Registrant to aggregate the securities held by all Funds and accounts advised by Registrant for purposes of determining whether certain securities laws and regulations apply, including without limitation, certain reporting requirements and regulations applicable to the disgorgement of short-swing profits. As a result of such required aggregation, a Fund or account advised by Registrant may be subject to reporting requirements or requirements for the disgorgement of certain profits, even though such Fund or account standing alone holds less than the applicable percentage of the issuer's securities.</p> <p>Registrant has adopted certain procedures for the allocation of responsibility of disgorgement of short-swing profits. These procedures, in some cases, may allocate disgorgement responsibility differently than the allocation that would result from an allocation under applicable securities laws in the absence of such procedure. The aggregation mentioned above, if required, and the procedures adopted by Registrant may, in certain circumstances, preclude a Fund or account advised by Registrant from trading in an issuer's securities when it otherwise would be able to do so.</p>	
Part II, Item 10 (Conditions for Managing Accounts)	<p>Each Fund imposes a certain minimum investment. The minimum investment varies by Fund and is disclosed in each Fund's offering memorandum, but is subject to the discretion of a particular Fund's general partner, managing member, Board of Directors or investment adviser, as applicable, to accept a lesser amount. On occasion, Registrant may also advise one or more separate accounts. The decision to agree to advise a separate account depends on various factors including the size of the account or relationship with the investor.</p>	
Part II, Item 12A & B (Investment or Brokerage Discretion)	<p>Registrant's role in serving the HMC sponsored Funds is to provide general advice regarding, among other things, the acquisition, management and disposition of Fund investments and to also provide general back-office support. Depending upon the particular Fund, investment decisions are made by a Fund's investment manager or a Fund's investment committee, which have been granted such discretion through the Fund's governing documents to make such investments. Each Fund's investment manager or investment committee is affiliated with Registrant. Separate accounts advised by Registrant are often structured similarly.</p> <p><b>Best Execution &amp; Broker Selection Process</b></p> <p>Registrant, or a Registrant affiliate, is authorized to determine the brokers or dealers that Funds and accounts advised by Registrant will use to execute securities transactions. Registrant's policy is to</p>	

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Part II, Item 13 (Additional Compensation)	<p>seek to execute securities transactions in such a manner that the total cost or proceeds in each transaction are most favorable under the circumstances ("best execution"). In seeking best execution, consideration will be given to a broker's full range of services, including the value of research provided, execution quality, commission rate, financial responsibility and responsiveness. While competitive spreads or commissions will be sought, the lowest spread or commission available will not necessarily be obtained.</p>	
	<p>Funds or accounts advised by Registrant currently do not utilize any formal or informal soft-dollar arrangements or maintain commitments with any broker-dealers to obtain any research or research-related services or products on a soft-dollar basis. Funds or accounts may, however, receive research or brokerage services that are incidental to their trading activities. When any research or brokerage services are received, the receipt will be in compliance with Section 28(e) of the Securities Exchange Act of 1934. Under Section 28(e), it is not necessary to obtain the lowest available commission rate when executing securities transactions in order to receive research or brokerage services from a broker as long as the investment manager determines, in good faith, that the commissions charged by the broker are reasonable in light of the services provided.</p>	
	<p>Registrant has adopted policies and procedures to seek to ensure that Funds or accounts advised by Registrant achieve best execution under the circumstances and that brokers utilized have been selected based on the best interests of Fund investors and separate account clients. To this end, Registrant has established a Pricing &amp; Brokerage Committee to monitor compliance with these policies and procedures. The Pricing &amp; Brokerage Committee's responsibilities, among others, include: reviewing brokers utilized and evaluating for conflicts of interest; evaluating the quality of execution services; and reviewing any proposed soft-dollar arrangements.</p>	
	<p><b>Allocation of Investment Opportunities &amp; Aggregated Trades</b></p> <p>Because the Funds and accounts advised by Registrant vary substantially in size, investment objectives, acceptable risk levels, asset mix, preferred asset classes and liquidity requirements, Funds and accounts do not normally invest together or aggregate their investment transactions. In some cases, however, certain investment opportunities may be appropriate for more than one Fund or account. When the amount of the investment available to the Funds or accounts is less than the aggregate amount that is desired to be purchased, investment opportunities will be allocated among eligible Funds or accounts in a manner that is fair and equitable. Generally, aggregated trades will be allocated pro rata among the Funds and accounts, unless the Funds and accounts have differing investment strategies that require a different allocation or Registrant determines in good faith that a different allocation is appropriate.</p> <p><b>Referral Arrangements &amp; Capital Introduction Events</b></p> <p>Registrant has several referral arrangements with various individuals or entities (<i>i.e.</i>, solicitors) pursuant to which investors are referred to Registrant for purposes of investing in one or more Funds. These arrangements comply with Rule 206(4)-3 of the Advisers Act. Any payments made to solicitors under these arrangements are paid by Registrant, not from Fund assets.</p> <p>From time to time representatives of Registrant may speak at conferences and programs that are sponsored by one or more of the Funds' prime brokers for investors interested in investing in hedge funds. These conferences and programs may provide opportunities by which Registrant is introduced to potential investors in a Fund or account advised by Registrant. Generally, the prime brokers are not compensated by Registrant, the Funds, or potential investors for providing such</p>	

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Miscellaneous	<p>“capital introduction” opportunities. Prime brokers may, however, provide financing and other services to the Funds and Registrant, and such additional services provided by a prime broker, including the opportunity to attend capital introduction events, may influence the decision on whether to use the services of a prime broker in connection with the activities of the Fund.</p> <p><b>Investor Relations Arrangements</b></p> <p>Registrant may enter into relationships with individuals and entities that assist Registrant in providing investor relations (such as International Fund Services, LLC). Registrant may pay these individuals or entities for: communicating Fund related information to Fund investors; assisting these investors in gathering and providing tax information; and, generally taking on the investor communication duties that Registrant would otherwise provide.</p> <p><b>Privacy Policy</b></p> <p>Registrant recognizes the importance of protecting Fund investors’ privacy and has policies in place to maintain the confidentiality and security of investors’ information.</p> <p><b>Proxy Voting</b></p> <p>Registrant seeks to vote client proxies in a manner that, in its judgment, is most likely to maximize total return to the client. Registrant has established written proxy voting policies and procedures and has also established a Proxy Voting Committee to oversee the process by which it votes client proxies.</p> <p>Registrant retains an independent proxy voting service (“voting agent”) to assist it in analyzing proxies received, make proxy voting recommendations, handle the mechanical aspects of casting votes and to maintain Registrant’s voting record.</p> <p>In general, Registrant expects to rely on the analysis and recommendations of its voting agent in voting client securities. However, voting matters might arise in which Registrant’s voting agent will not offer recommendations, and at other times, Registrant might vote contrary to a recommendation of its voting agent. In these instances, Registrant will conduct a conflict of interest review prior to voting client securities. The Conflict of Interest Review process is fully described in Registrant’s Proxy Voting Policies and Procedures. Also, Registrant may refrain from voting client securities in certain situations (such as when a client holds a de minimis amount of an issuer’s securities).</p> <p>Client and investor requests for information as to how Registrant voted securities, as well as a copy of Registrant’s Proxy Voting Policies and Procedures, including Registrant’s Voting Guidelines, is available by contacting Registrant’s Compliance Department via mail at 2100 Third Avenue North, Suite 600 Birmingham, AL, 35203, or by phone at (205) 987-5500.</p>	