

New Look and Website Launch in 2008!

We are in the process of redesigning our website www.ahbi.com. This is a website devoted to expressing the unique customized services available to our clients. We are pleased to provide you with a sneak peak of our new logo prior to the launch of our new website.



AHB collaborated with LiquidComma Design to bring a fresh, creative and more succinct summary of our services to our website. AHB's new look reflects the firm's increased commitment to growth and service. "AHB's assets under management have increased more than seven-fold in the past 10 years—our new website positions us for the next 10 years. As evident by our new look, we remain committed to investing in our business to bring our clients industry leading services and capabilities" said Caryn Zweig, Managing Director of AHB. The new site offers six main areas: Our Firm, Professionals, Strategic Approach, Investment Management, Clients and News & Events. Additionally, we will be adding a technology layer that enables clients and prospects to access corporate documents and private client brochure information.

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 Watch for more info
 about our new
 logo and website
 in the
 following months!
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The AHB Bond Portfolio Management Advantage

All bond managers are not created equal. In this day and age when investment managers are gravitating towards managing models and mutual funds - we remain committed to a custom investment approach. Our differentiated niche focuses on the individual investment needs of each of our clients. We have been managing high quality bond portfolios in this fashion for more than twenty years. The value-added comes from our unyielding commitment to strong risk adjusted returns regardless of the ebb and flow of markets.

Every experienced investor knows that any asset may not perform as well as anticipated or it may even lose value. Such is the nature of investing. Since risk cannot be eliminated from a portfolio, the only alternative is to manage it wisely. That is exactly what we do at Abner, Herrman & Brock Asset Management — we manage risk wisely.

Certain investment managers and hedge funds have gained notoriety in recent months due to their involvement with the sub-prime mortgage crisis and related investments. At Abner, Herrman and Brock Asset Management we continue to differentiate ourselves by adhering to a risk model that focuses on preservation of principal and income.

We believe that any prudent fixed-income investment should be made towards a specific goal with quantifiable risk. There are a number of key variables that we consider when investing in bonds. These include; the maturity, redemption features, credit quality, sector, interest rate, price, yield, and tax-status.

This is where other investment managers stop. We, in turn, are just getting started. We use these factors to determine the degree to which it matches the desired investment objective and risk tolerance for each client. AHB continues to develop and implement unique trading and management strategies designed to bring institutional bond management techniques and procedures to the high-net worth investor. Our two bond strategies [taxable bond and tax-exempt bond] offer both stability of principal and predictable cash-flow.

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“We spend time learning about each client’s needs and risk tolerances. Only after this important step can we begin to custom tailor the portfolio”

“There is now an increasing pick up in yield investing in intermediate term bonds”



The AHB Bond Portfolio Management Advantage... continued from page 1

These key elements mean different things to different investors. Consequently, we spend time learning about each client’s needs and risk tolerances. Only after this important step can we begin to custom tailor the portfolio.

Our taxable bond portfolios combine the low risk of U.S. Treasury bonds with the higher yield of government agency and investment-grade corporate bonds. Portfolios are diversified by bond type, economic sector and maturity. Each client’s goals and objectives drive the appropriate allocation.

For clients in an elevated tax bracket – municipal bonds may be more appropriate than taxable bonds. Our municipal bond portfolios have holdings that are selected for quality,

value and stable income generation. AHB selects tax-exempt bonds with high liquidity to focus on preservation of principal while providing more consistent income. Investments are selected by state and diversified by city, municipality and maturity.

In the end, we come to realize that bond managers come in many different shapes and sizes. At AHB we believe that a high quality custom investment approach is in the best interest of our clients, as it allows us to tailor to a specific need. Our custom bond strategies offer more than solid risk adjusted returns. Our differentiated style and process delivers safety of principal combined with predictable cash flow. This is the AHB Bond Portfolio Management Advantage.

Money Market / CD Rates Going Lower – What To Do?

Money Market and CD interest rates have been declining since the Federal Reserve began decreasing the Federal Funds rate in September. Investors who had been receiving 5% or higher on these investments are now looking at 4% or less and likely going lower. While this has taken place, intermediate term rates have stayed relatively flat so that there is now an increasing pick up in yield investing in intermediate term bonds relative to

short term bonds. Investors who seek to continue to realize 5% or higher yields should consider owning bonds with intermediate maturities.

One recommended strategy to achieve these returns without taking on much risk is to create a separately managed bond portfolio with intermediate maturity investment-grade bonds. Your portfolio should be diversified by maturity, issuer and bond type in order to meet your objectives.

NFLPA Financial Advisors Program

AHB was recently approved as a participant in the **National Football League Players Association Financial Advisors Program**. This program provides NFL players access to a group of qualified investment advisors. After a high level of due diligence performed on AHB, we were deemed to be qualified to serve the investment needs of NFL

players. Agents for NFL players are only permitted to refer their clients to investment advisors that have been certified by this program. AHB currently manages investment portfolios for a number of professional athletes and entertainers and this designation will allow us to expand our efforts in this area.

Employee News

Caryn Zweig has become a member of the Cornell University’s Undergraduate Business Program’s Advisory Council. The Council provides support, advice and counsel to the faculty, students, and staff on issues central to the program’s strategic mission. Cornell University’s Undergraduate Business Program provides a broad-based educational experience where learning and development are driven by an innovative, global, and real-world perspective.

Kevin Strauss was elected to the Board of Directors of the Bergen County NJ YJCC. He also serves as the Vice President of Finance on the Bergen YJCC’s Executive Committee. In this role, Kevin leads the effort to bring a balanced budget to the Board of Directors. The YJCC strives to strengthen the local community, by embracing individual heritage and inspiring shared dreams and goals.

Kathrine Bendtsen joined AHB in 2007 to assist in Private Client Development and Communications. She will be responsible for the creation and modification of all written materials and will coordinate our web activities. Born in Copenhagen, Denmark, Kathrine comes to us with a B.S. in International Business and Marketing from Copenhagen Business College and is currently pursuing her second degree at New Jersey City University. Prior to joining AHB, Kathrine worked in sales and administration at Shipco Transport Inc.

Bryan DiDonato passed Level I of the CFA Examine in June of this year. The CFA Program tests candidates on their abilities and knowledge on topics relevant to the investment profession. Bryan is currently a candidate for the Level II exam of June 2008.

Large Cap Core Equity

AHB Core Equity portfolios provide clients with exposure to large capitalization high quality growth and value companies. We focus on providing above average risk adjusted absolute returns. The Investment Policy Committee seeks to identify companies with strong management, above average earnings growth and positive change taking place.

Most companies in AHB client portfolios receive more than half of their revenues and earnings from outside the United States. This is accomplished by investing in companies domiciled in the U.S. that have significant exposure to global economies. We also invest in selected ADR's which are international companies with shares

issued on U.S. exchanges. This global exposure allows our clients to benefit from the above average growth being experienced in developed international economies and emerging markets. By owning large companies with global exposure, our clients gain access to investing in faster growing economies without the risk and volatility of owning smaller companies in the region. This is critical because it enables client portfolios to benefit from the growth of these economies.

Over the past few years, aggressive investors have taken on additional risk hoping to realize enhanced returns in areas such as small capitalization stocks, hedge funds, private equity, mortgage-backed

securities etc. While some of these strategies have been successful for a period of time, we are now witnessing the downside to such strategies. The current credit problems have resulted in significant losses in portfolios with these strategies.

We are confident that the investment process and philosophy we employ protects AHB clients from experiencing unexpected portfolio declines of this magnitude. The firm's 25 year record in managing equity portfolios is a testament to the belief that future investment results will not be subjected to significant loss in value from unexpected events.



Howard Abner included as a Founder of the Centennial Society of The Economic Club of New York

The Economic Club of New York is a membership organization with members drawn from the top executive levels of business, industry and finance. Founded in 1907, the Club has served ever since as a major forum for discussion on a wide range of public issues of interest to business people. As The Economic Club of New York celebrated its first hundred years, a group of committed

members have initiated the formation of The Centennial Society. The Centennial Society has been organized to provide active and engaged supporters of the mission of The Economic Club an opportunity to ensure the perpetuation of this organization as the leading non-partisan speaking platform in the nation. AHB's Portfolio Managers and their guests have participated in several events

during 2007, including the Centennial Celebration, with Secretary of State, the Honorable Condoleezza Rice who spoke at the event. Other guest speakers during the year included Former Secretary of State, Henry Kissinger, and Federal Reserve Board Chairman, Ben Bernanke. Howard is a long standing club member and serves on the membership committee.

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In the News...

Financial Times

November 7, 2007

Neil Klein was interviewed for the article: "Muni bonds under threat of widening credit woes", where he states that "concerns about bond insurers will force investors to look closely at the underlying credit rating of a specific muni issue."

Baruch College

Jason Graybill was recently a featured speaker for the third year in a row at Baruch College's Non-Profit Consulting Day, a symposium to educate New York City's Non-profit community.

Bloomberg.com

Neil Klein and Jason Graybill have both been interviewed by Bloomberg.com on several occasions within the last few months.

International Herald Tribune

March 14, 2007

Jason Graybill was interviewed for their article on "Americas: Loan fears hurt U.S. stocks".

WBBM Radio Chicago

March 26, 2007

Jason Graybill was interviewed on CBS News Radio's Noon Business Hour.

InvestmentNews

June 25, 2007

Jason Graybill and Kevin Strauss discuss AHB's unique customized approach to investment management and why the style is attracting attention within the investment community.

BNN — Business News Network

Jason Graybill has become a recurring guest on BNN TV's "Stars and Dogs" appearing as a guest three times during 2007.



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Founded in 1981, Abner, Herrman & Brock Asset Management manages stock, bond and custom balanced portfolios individually structured to assist each client in achieving their investment objectives. Stock portfolios are managed utilizing a Core Equity philosophy, investing in both large capitalization value and growth disciplines with an objective of long-term, after-tax appreciation and below market volatility. Portfolios are diversified across economic sectors, industries and companies. Bond portfolios are managed to provide a high rate of current income and total return. Portfolios are actively invested in staggered maturities of U.S. Treasury, government agency and investment-grade corporate bonds and where appropriate, investment-grade municipal bonds. Portfolio managers are available to meet with clients upon request.

Who's Who at AHB – Senior Professionals

Howard J. Abner, CFA **Chairman** **Senior Portfolio Manager**

Howard has more than 45 years experience in the investment management industry. His background in investment management includes: President of Jas. H. Oliphant & Co.; Senior Vice President of Laidlaw, Adams and Peck; and Securities Analyst at Orvis Bros. Howard earned an M.B.A. in Finance from Cornell University and a B.A. in Economics from the University of Bridgeport. He is a member of The Economic Club of New York and is an active participant and member of various corporate and college boards.

Jennifer A. Brundage **Chief Administrative Officer**

Jennifer joined the firm in 1998, bringing more than 25 years of professional management experience to oversee the company's administrative activities. She is responsible for all aspects of client services as well as supervising Portfolio Administration. Her background includes office management at Rafferty Associates, a commodities firm and The Burgiss Group, a computer consulting company. Jennifer earned a B.A. in English from Ohio University.

Jason Graybill, CFA **Managing Director** **Senior Portfolio Manager**

Jason joined the firm in 1995 as a member of AHB's Investment Policy Committee. Jason has more than 15 years of experience in investment management. Prior to joining AHB, he was a Financial Analyst at Valuation Counselors Group, Inc. and a Research Analyst at Oxford Capital Management. Jason has earned an M.S. in Finance from the University of Baltimore and a B.S. in Business Administration from Towson University. He was formerly on the Board of Directors at the New York Society of Security Analysts (NYSSA) and is active on the society's Private Wealth Management Committee. He has appeared on ROBTV and interviewed by Bloomberg Radio, CBS Radio, The Wall Street Journal, Dow Jones and is a guest speaker at many securities industry events.

Neil Klein, **Managing Director** **Senior Portfolio Manager**

Neil joined the firm in 2005 as a member of AHB's Investment Policy Committee. Neil has more than 20 years of experience in investment management. Prior to joining AHB, Neil

spent nine years with Oppenheimer & Co. as a Senior Fixed Income Portfolio Manager where he managed and executed the fixed income investment strategies for Oppenheimer Investment Advisers' discretionary fixed income portfolios. Prior to joining Oppenheimer, Neil spent nine years at Merrill Lynch starting as a Financial Consultant to becoming a Vice President and Portfolio Manager responsible for the management of Fixed Income separate account assets. Neil earned an Executive M.B.A. from the Fox School of Business and Management at Temple University and a B.S. in Agricultural Economics from Pennsylvania State University.

Kevin Strauss, CFA **Managing Director** **Senior Portfolio Manager**

Kevin joined the firm in 2002 as a member of AHB's Investment Policy Committee. Kevin has more than 14 years experience in investment management. Prior to joining AHB, Kevin spent eight years with Smith Barney Asset Management rising from a Research Analyst to a Senior Portfolio Manager in the firm's Large Cap Equity Group. Kevin earned an M.B.A. in Finance as well as a

B.S. in Business Management from Cornell University. Kevin is a member of the Board of Directors of the Bergen County NJ YJCC. He is a Chartered Investment Counselor (CIC), and also a member of the CFA Institute.

Caryn Zweig, **Managing Director** **Senior Portfolio Manager**

Caryn joined the firm in 1991 as a member of AHB's Investment Policy Committee. Caryn has more than 20 years of experience in investment management. Her background includes positions as an Equity Research Analyst and Assistant Portfolio Manager at Atlanta Sosnoff Capital. Prior to that, she was a Research Associate at Oppenheimer Fund Management Inc. Caryn earned an M.B.A. in Finance from Columbia University and a B.S. in Business Management/Finance from Cornell University. Caryn is a member of Cornell's Undergraduate Business Program Advisory Council and also a member of the Advisory Board of GlamourGals Foundation, Inc.