

Legacy Fund

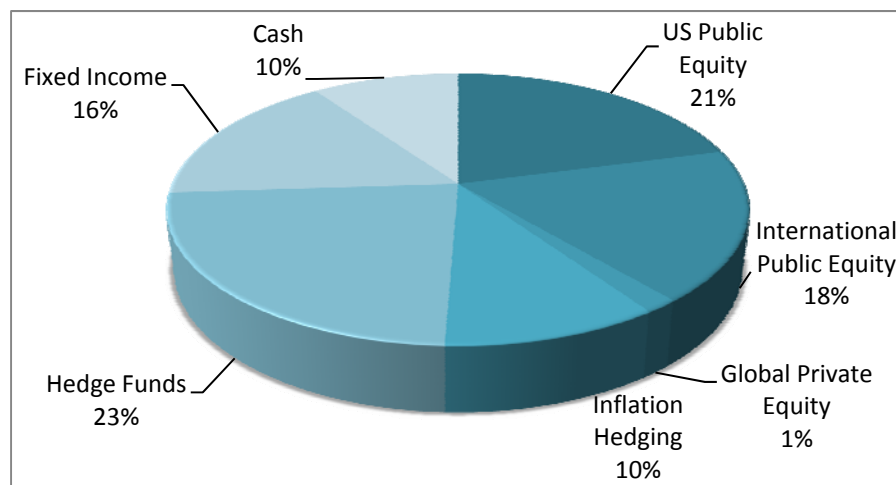
Second Quarter, 2010 – Market Update

The sovereign credit concerns of Europe, although ameliorated during the quarter, wreaked havoc in equity markets, sending the S&P 500 down 11.4% and the MSCI EAFE index down 14%. The end of several stimulus programs during the quarter, notably the home purchase tax credit and mortgage purchase programs, further dampened economic activity and consumer sentiment. Though concerns remain with regard to the indebted nations of Europe as well as the near term specter of deflation, markets began a positive turn at the end of June in anticipation of a positive corporate earnings season.

Although the bear market of the past quarter was a significant re-pricing event, we remain skeptical of valuations, with fundamentals continuing to indicate that almost all asset classes are fairly valued. Consequently, our strategy has remained fairly static with some modest tactical changes occurring over the past quarter.

We have started to reduce our cash position in the portfolio towards our long term target of zero, with liquidity held in the near cash investments of short duration government securities. We are further evaluating the role of active management in our developed international equity allocation and have diversified our inflation hedging investments by making placements with two additional managers. Lastly, during the quarter we shifted some of our overweight exposure in equities from US public equities to hedge funds.

Asset Allocation – 6/30/2010



Investment Returns

	2 nd Quarter	YTD	1 Yr.	Since Inception (8/17/2009)
Pittsburgh Legacy Fund	-6.4	-3.6	N/A	4.9
CPI + 5%	1.4	3.4	6.0	N/A
S&P 500 (65%)/Barclays Aggregate(35%)	-6.21	-2.5	12.7	N/A