

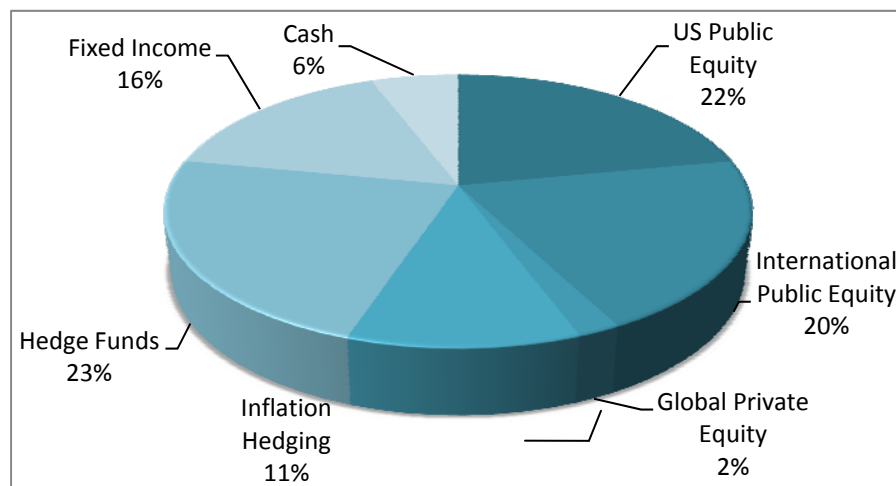
Legacy Fund

Third Quarter, 2010 – Market Update

“Risk-on” and “risk-off” were the operative words for traders during the third quarter. Demonstrating positive sentiment in July, with the resolution of sovereign credit concerns in Europe, offset by negative sentiment in August, with the specter of a double dip of the economy into recession. This last was trumped by the inferred commitment of the Federal Reserve to another round of inflationary stimulus dubbed “quantitative easing”, the Fed having determined that deflation was a greater risk than inflation. The result was a dramatic rise of nearly 9% in the S&P 500 during the month of September.

In the short term we expect to see continued volatility in equity markets as the Fed’s decision concerning quantitative easing and its perceived effects are absorbed by investors. Long term we remain bearish on bonds and their ability to deliver the real returns that would allow us to achieve our goals. US Treasuries, in particular, appear overvalued and we are comfortable with our core bond manager continuing the reduction of exposure to them during the quarter. We are favoring inflation hedging assets and hedge funds in the expected environment of rising inflation and rising interest rates. Equally we remain committed to our long term view of economic expansion in emerging markets, especially Asia, and have made additional commitments in that area during the past quarter. Elsewhere within the portfolio, we have reduced our cash and near cash positions to 5.8% and expect to continue to do so as we head into the New Year.

Asset Allocation – 9/30/2010



Investment Returns

	3 rd Quarter	YTD	1 Yr.	Since Inception (8/17/2009)
Pittsburgh Legacy Fund	9.0	5.0	9.0	12.6
CPI + 5%	1.5	5.0	6.14	N/A
S&P 500 (65%)/Barclays Aggregate(35%)	8.21	5.31	9.46	N/A