

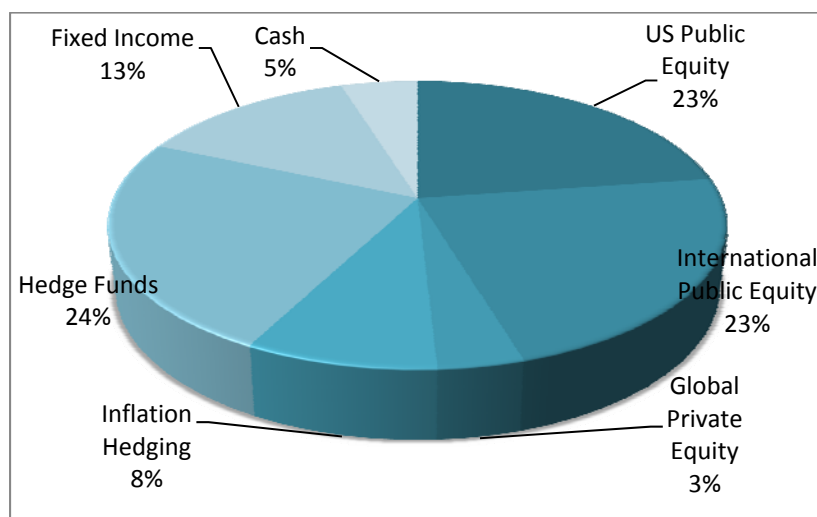
# Legacy Fund (Diversified Growth)

## Fourth Quarter, 2012 – Market Update

In the fourth quarter the US economy was battered by the winds and waves of Hurricane Sandy and the similarly chaotic buffeting of political indecisiveness in the wake of the election. Domestic equity markets reflected these factors with the S&P 500 losing 0.38% during the quarter. However, the central bank guarantee in Europe on sovereign debt loosed the hounds of speculation for the rest of the world as the MSCI All Capitalization World Index finished up 3.01% allowing the index to slightly beat the S&P 500 for the year at 16.8% versus 16.0%. A great year for equities that, in retrospect, seems hard won. Investors are still faced with macro concerns in the US, Europe and China, but the issues seem slightly more contained now.

Within the Legacy Fund we added a contrarian growth manager we felt could take appropriate action with regard to the problems in Europe and Japan, complementing our more defensive developed international equity manager. At the same time we have taken a more opportunistic approach in our short duration portfolio, replacing the short duration credit manager. Finally, after redeeming from one of our real asset managers who appeared to turn reactionary in response to faltering commodities markets, we have started the process of rebalancing into this asset class.

## Asset Allocation – 12/31/2012



## Investment Returns

%	4th Quarter	YTD	1 Yr.	3 yr. (Annualized)	Annualized Since Inception (8/17/2009)
<b>Legacy Fund (Diversified Growth)</b>	1.30	10.80	10.80	6.80	8.0
<b>CPI + 5%</b>	0.47	6.74	6.74	7.06	N/A
<b>MSCI ACWI (80%) / Barclays Aggregate (20%)<sup>1</sup></b>	2.45	14.29	14.29	6.99	9.3
<b>Blended Benchmark<sup>2</sup></b>	0.9	9.5	9.5	6.9	8.0

<sup>1</sup> Effective 1/1/2012 the equity benchmark used by the Fund was switched from the S&P 500 to the MSCI All Cap World Index to reflect the Fund's global equity strategy. That benchmark is used in this naïve benchmark analysis.

<sup>2</sup> The Blended Benchmark consists of the proportional benchmarks for each component asset class.

