

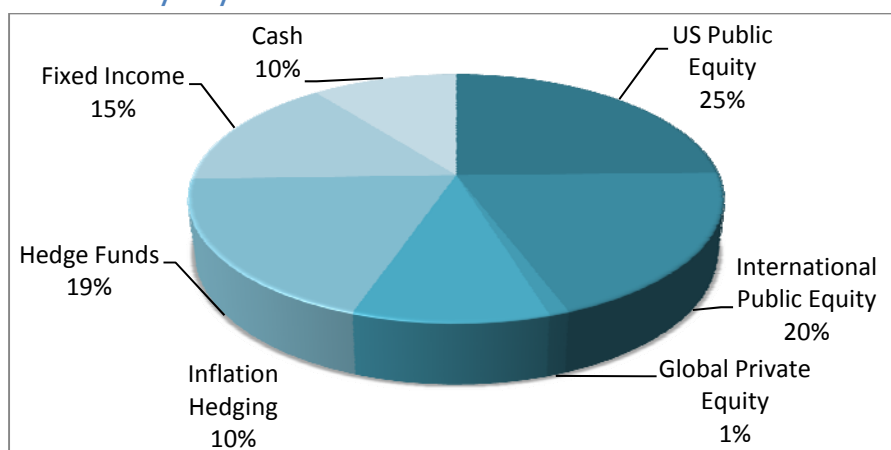
# Pittsburgh Legacy Fund

## Third Quarter, 2009 – Market Update

Global equity markets continued their dramatic rise from their March 9<sup>th</sup> lows propelled by the continued signs of a recovery, an expectation for the end to the recession and expansive fiscal and monetary stimulus. Fixed income spreads have also continued to tighten, providing exceptional year-to-date performance for high yield assets. Although concerns about a deflationary spiral appear to have been ameliorated by unprecedented government intervention, they have been replaced by similar concerns about inflation and the specter of “stagflation”, the deadly combination of low GDP growth and high inflation, which those who remember the 1970’s will appreciate. That said, our broad view is that assets are fairly valued at this time.

We have positioned the portfolio according to our long term view of the markets with a bias toward emerging market equities, private equity<sup>1</sup> and a significant allocation to our inflation hedging portfolio. We believe emerging markets have the greatest potential for GDP expansion in the long run with more opportunities for workforce participation, productivity gains and the ability to take advantage of existing technology. Our private equity thesis is based on our belief that owning equity is an effective hedge against inflation and is typically not distracted by short term profits in the same way as public equity is. Lastly, our specific investment in inflation hedging strategies reflects our concern over the long term effects of current monetary and fiscal policies.

## Asset Allocation – 10/30/2009



## Investment Returns

	3 <sup>rd</sup> Quarter	YTD	1 Yr.	3Yr.	5 Yr.	10 Yr.
<b>Pittsburgh Legacy Fund</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>CPI + 5%</b>	7.5	7.7	3.7	7.1	7.6	7.5
<b>S&amp;P 500 (65%)/Barclays Aggregate(35%)</b>	11.3	14.5	-0.8	-1.3	2.5	2.1

As the Pittsburgh Legacy Fund is a new fund, formed in the 3<sup>rd</sup> quarter, we do not have a complete quarter of performance to report. The inception date of the Pittsburgh Legacy Fund is 8/17/2009.

<sup>1</sup> The private equity allocation depicted in the chart reflects currently invested capital. The strategic allocation to private equity target is 10%, which we expect to reach over an extended period of years.