September, 2020

THE GLOBAL INVESTMENT PULSE

Published By
Legend Financial Advisors, Inc.® &
EmergingWealth Investment Management, Inc.®

(888) 236 - 5960 www.legend-financial.com

LEGEND FOCUSES ON RISK-ADJUSTED RETURNS

By Louis P. Stanasolovich, CFP®, CEO and President of Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.®

What are Risk-Adjusted Returns? A Risk-Adjusted Return is defined as a calculation of the profit or potential profit from an investment that considers the degree of risk that must be accepted in order to achieve it. In other words, achieving a higher Risk-Adjusted Return would mean a smoother pattern of return given the amount of risk taken – less risk

Risk-Adjusted Returns, *continued on page 8*

THE IMPORTANCE OF THE VIX INDEX

By Louis P. Stanasolovich, CFP®, CEO and President of Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.®

When reading about the financial markets or listening to financial news shows, the VIX Index is frequently mentioned, yet few investors understand its implications. It is derived from the price inputs of the S&P 500 index options. The VIX Index was created by the Chicago Board Options Exchange (CBOE) back in the early 1990s. The VIX, otherwise known as the Volatility Index, is a real-time (current) market index that represents the market's expectation of 30-day

VIX, *continued on page 4*

SIX STOCKS ARE POWERING THE S&P 500

By James J. Holtzman, CFP®, Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.®

Six stocks: Facebook, Amazon, Netflix, Microsoft, Apple, and Google are up 36.02% year-to-date through September 24, 2020. The S&P 500 (There are actually 505 stocks in the S&P 500 Index), within which those six stocks are part of, is up a total of 0.49% year-to-date. Remove these six stocks from the S&P 500 Index and the remaining 499 stocks are down -6.62% through September 24, 2020's close.

Also, since 2014, the S&P 500 Index is up 4.98% per year for the S&P 499. 8.26% is close to the long-term norm for the S&P 500 Index; however, just six stocks during the 2014 to present time period provided much of the lift.

Source: Parts of this article were excerpted from "Inflation", by Stephen B. Blumenthal, Founder and CEO, CMG Capital Management Group, Inc., (On My Radar, September 25, 2020), www.cmgwealth.com

This article should not be construed as investment advice.
The content is provided for news and/or educational purposes only.

INVESTING WEBCASTS

For further information regarding investing, we would strongly recommend that you watch our previous three Webcasts, which are listed below:

http://www.legend-financial.com/webcasts#CORONACRASH

http://www.legend-financial.com/webcasts#BondsNoLongerSafe

http://www.legend-financial.com/webcasts#SectorInvesting

Editor
Louis P. Stanasolovich, CFP®
CEO and President

Legend Financial Advisors, Inc.®
5700 Corporate Drive, Suite 350
Pittsburgh, PA 15237
legend@legend-financial.com
(412) 635-9210
(888) 236-5960

Newsletter Production Manager
Lori. L. Albert
legend@legend-financial.com

EmergingWealth Investment Management, Inc.®
5700 Corporate Drive, Suite 360
Pittsburgh, PA 15237

Postmaster: Send all address changes to:
Legend Financial Advisors, Inc.®
5700 Corporate Drive, Suite 350
Pittsburgh, PA 15237

ABOUT LEGEND FINANCIAL ADVISORS, INC.®

Legend Financial Advisors, Inc.® (Legend) is a Fee-Only, Fiduciary U.S. Securities and Exchange Commission registered investment advisory firm with its headquarters located in Pittsburgh, Pennsylvania. Legend provides Personalized Wealth Management Services Including Financial Planning and Investment Management Strategies to affluent and wealthy individuals as well as business entities, medical practices and non-profit organizations as well as retirement plans. Legend and its advisors are Fiduciaries.

FOUR REASONS TO CHOOSE LEGEND

1. Legend is a Fee-Only, Fiduciary advisory firm. Fee-Only means Legend is compensated exclusively by client fees. Unlike Legend, fee-based advisors and brokerage firms have numerous conflicts of interest due to the fact that they receive commissions.
2. Unlike most advisory firms and all brokerage houses, Legend and its advisors are governed by the Fiduciary Standard of Law. Fiduciaries are required to work in their clients' best interests at all times.
3. Legend designs dynamic, creative and personalized financial planning and investment solutions for its clients.
4. Legend emphasizes low-cost investments where possible and attempts to trade and allocate investments in an income tax-efficient manner.

ABOUT EMERGINGWEALTH INVESTMENT MANAGEMENT, INC.®

EmergingWealth Investment Management, Inc.® (EmergingWealth), is the sister firm of Legend Financial Advisors, Inc.® (Legend) and is a Fee-Only Securities and Exchange Commission (SEC) registered investment advisory firm. EmergingWealth provides Investment Management services to individuals as well as business entities, medical practices and non-profit organizations whose wealth is emerging. All investment portfolios are sub-advised by Legend. Both Legend and EmergingWealth share a common advisory team, Investment Committee and Fee Schedule.

LOUIS P. STANASOLOVICH, CFP®, EDITOR

Louis P. Stanasolovich, CFP®, is founder, CEO and President of Legend Financial Advisors, Inc.® (Legend) and EmergingWealth Investment Management, Inc. Mr. Stanasolovich is also the Chief Investment Officer at both Legend and EmergingWealth. Lou is the Editor of The Global Investment Pulse, a publication designed to guide investors on how to build better investment portfolios and improve their investment decision-making.

Mr. Stanasolovich earned the Certified Financial Planner™ designation in 1984 and was admitted to The Registry of Financial Planning Practitioners in 1986. He is a member of the Financial Planning Association (FPA), and is a Registered Financial Advisor with The National Association of Personal Financial Advisors (NAPFA), the nation's largest Fee-Only professional organization.

VARIATION OF A WARREN BUFFETT INDICATOR

By Louis P. Stanasolovich, CFP®, CEO and President of
Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.®

According to the chart below, which is a variation of Warren Buffett's famous S&P 500 to Gross Domestic Product (GDP), the Wilshire 5000 to GDP, we are presently at the highest valuation in U.S. Stock Market history since 1928.

The Wilshire 5000 Total Market Index, or more simply the Wilshire 5000, is a market-capitalization-weighted index (the number of shares of stock outstanding times the market price for every stock) of the market value of all U.S.-stocks actively traded in the United States. As of December 31, 2019, the index contained only 3,473 components.

The valuation of this index is the highest of any other U.S. stock index that we follow. While a number of the other indexes are also high, the current valuation at this point in time is lower than almost all other indexes in comparison to the year 2000 peak valuation.

Obviously, when indexes are at high valuation points in time, poor returns can be expected over at least the next decade on a buy and hold basis. In fact, John P. Hussman, Ph.D, President and Chief Investment Officer of the Hussman Funds, recently published a similar conclusion. His analysis illustrated that a combination of 10.0% U.S. Treasury Bills, 30.0% Treasury Bonds and 60.0% S&P 500 would produce a negative 0.95% over the next 12 years, the lowest on record since 1928. Why?

It's simple. Sky-high valuations for Treasury Bills, Bonds and stocks.

**A BUFFETT INDICATOR VARIANT:
WILLSHIRE 5000 TO GROSS DOMESTIC PRODUCT**

Source: AdvisorPerspectives.com via *Oh My Radar*, September 4, 2020

VIX, continued from page 1

forward-looking volatility. It provides a measure of market risk and investors' sentiments. Most often when investors and the news media state the words "The VIX", they are referring to the S&P 500 VIX Index. It is also known by other names like "Fear Gauge" or "Fear Index". We have included a chart (see below) of the VIX and the S&P 500 for 2020.

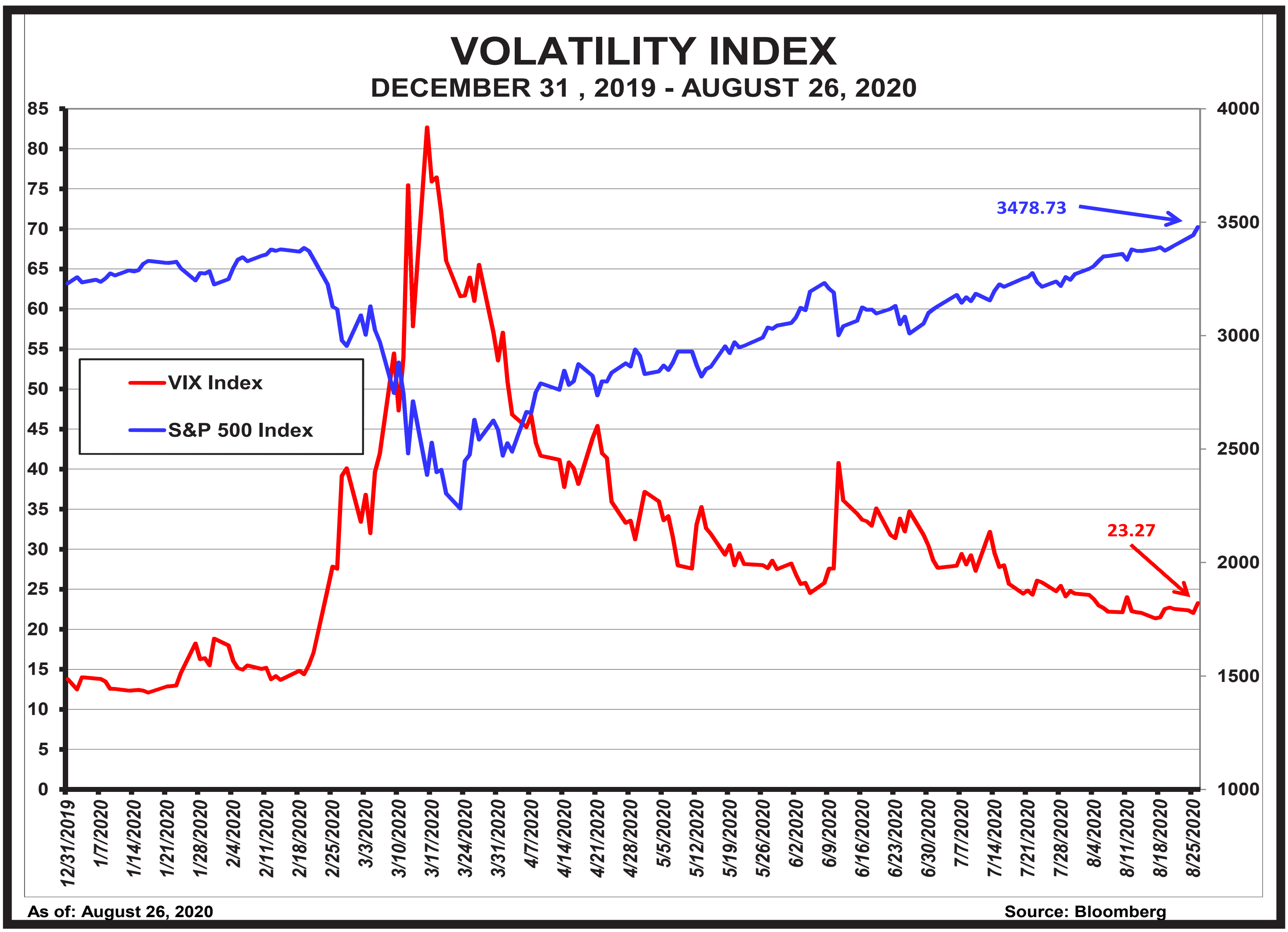
However, there are many other versions of the VIX Index. These can also be based on the NASDAQ, Gold, Silver, Bond Indexes, other Commodity indexes that are in Exchange-Traded Fund (ETFs) form, Currency ETFs, single stock indexes, etc. and many other investment types. In addition to ETF Products and option contracts, there are also futures contracts as well.

What Do The VIX Values Mean?:

Investors, research analysts and portfolio managers look to VIX values as a way to measure market risk, fear and stress before they make investment decisions. Historically, in absolute terms, VIX values greater than 30 are generally linked to a large amount of volatility resulting from increased uncertainty, risk and investors' fear. VIX values below 20 generally correspond to stable, stress-free periods in the markets. The all-time lowest S&P 500 VIX value was 9.19, which occurred on October 5th, 2017. Obviously, this was a very non-volatile period for the S&P 500.

However, the direction of where the S&P 500 VIX Index is going is very important. A falling VIX value usually indicates a rising stock market. In contrast, a rising VIX value generally indicates a falling stock market. Please be aware that the VIX Index can rise or fall very rapidly.

As of December 31, 2019's close, the S&P 500 VIX Index's value was at 14.82. The intraday high was in the high 80s by the third week of March of 2020. This value indicates the extreme volatility that can occur during such a period. At that point in time, many



VIX, continued on page 5

VIX, continued from page 4

investment professionals that trade in VIX contracts believed that the VIX value might reach 120, which would imply a decline in the S&P 500 by 50.0%. However, the VIX reversed and slowly wound its way down to the present level over the next six months (today). The index is 29.93 as of 2:41 p.m. Eastern Time on Tuesday, September 29, 2020.

The Outlook For The VIX Index:

At the present value of the VIX Index and the direction it is moving, it would appear that at least for the near future, we could be in the "safe zone" for investing in equities. At least that is what the VIX Index is telling us. Please note debt (interest-generating) investments will provide little, if any, protection in a falling stock market so becoming more conservative may not protect a portfolio.

Given how close we are to the teens for the VIX value, the VIX Index could drop into the teens, which would imply positive sailing ahead. We caution that this outlook can change very quickly. Wars, large trade disputes and natural disasters can negatively affect this viewpoint. The success of any COVID-19 solution/failure, the non-passage of an economic disaster recovery bill by our politicians and possibly the national elections themselves (no matter who wins – see our article "Stocks Results and Politics" below) can influence the financial markets.

Where Can You Find The VIX Index:?

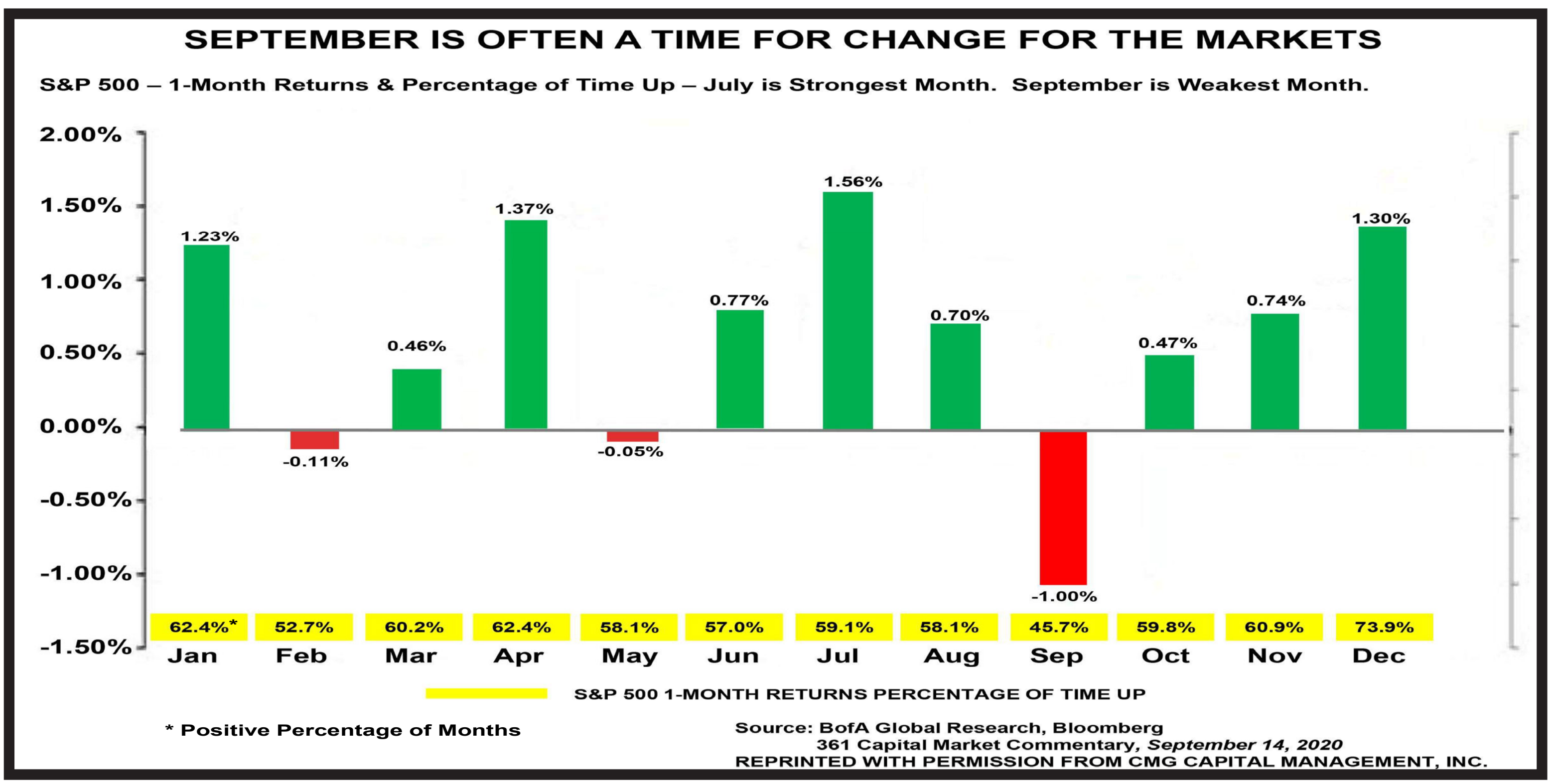
It can be found daily on the Internet. Simply search for it on your desktop or mobile device under the terms "S&P 500 VIX Index" and the date you are looking up. It also can be found on Bloomberg TV in the lower right-hand corner. The box is either red (for stocks - this means the risk is falling) or green (which means the risk is increasing). The box appears every three to five minutes.

 PULSE

SEPTEMBER STOCK MARKET PERFORMANCE IS THE WORST MONTH HISTORICALLY

By Louis P. Stanasolovich, CFP®, CEO and President of
Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.®

The chart below illustrates what the S&P 500 average returns "UP" are for each month as well as the percentage of time (the yellow highlighted number) that number is positive.



 PULSE

FLOATING RATE FEATURES

FEATURE	EXPLANATION	BENEFIT
Senior	Loans are the most senior debt of non-investment grade companies.	• Highest priority of claim in event of default
Secure	Loans are secured by assets, such as property, equipment, intellectual property, accounts receivable and inventories.	• Assets can be transferred to loan holder in cases of default • Helps to mitigate downside risk
Floating Rate	Loan coupons float based on a variable interest rate such as LIBOR. Loans are issued with a coupon that pays a predetermined rate above the variable rate.	• As rates rise, loan coupons reset and provide investors with higher income payments • Shortens duration

As of: Q1 2019

Source: Symphony Asset Management, *Nuveen Symphony Floating Rate Income Fund*,Q1 2019

TRADITIONAL HIGH-YIELD CAPITAL STRUCTURE

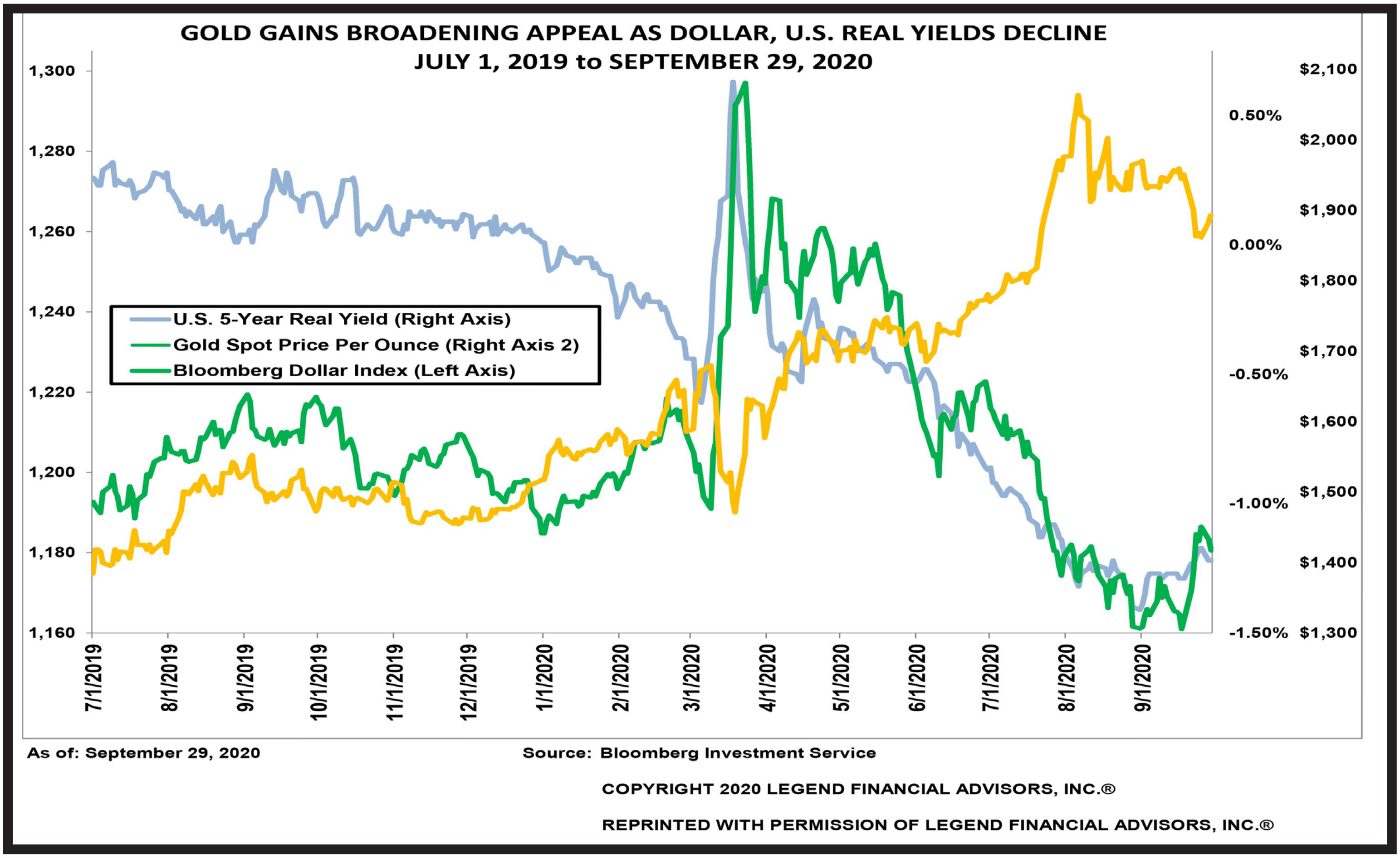
Floating Rate Loans Sit Atop The High Yield Capital Structure And Are Secured By Collateral

PLEDGED COLLATERAL
Cash
Current Assets
Inventory
Property, Plant & Equipment
Intangibles
Stock

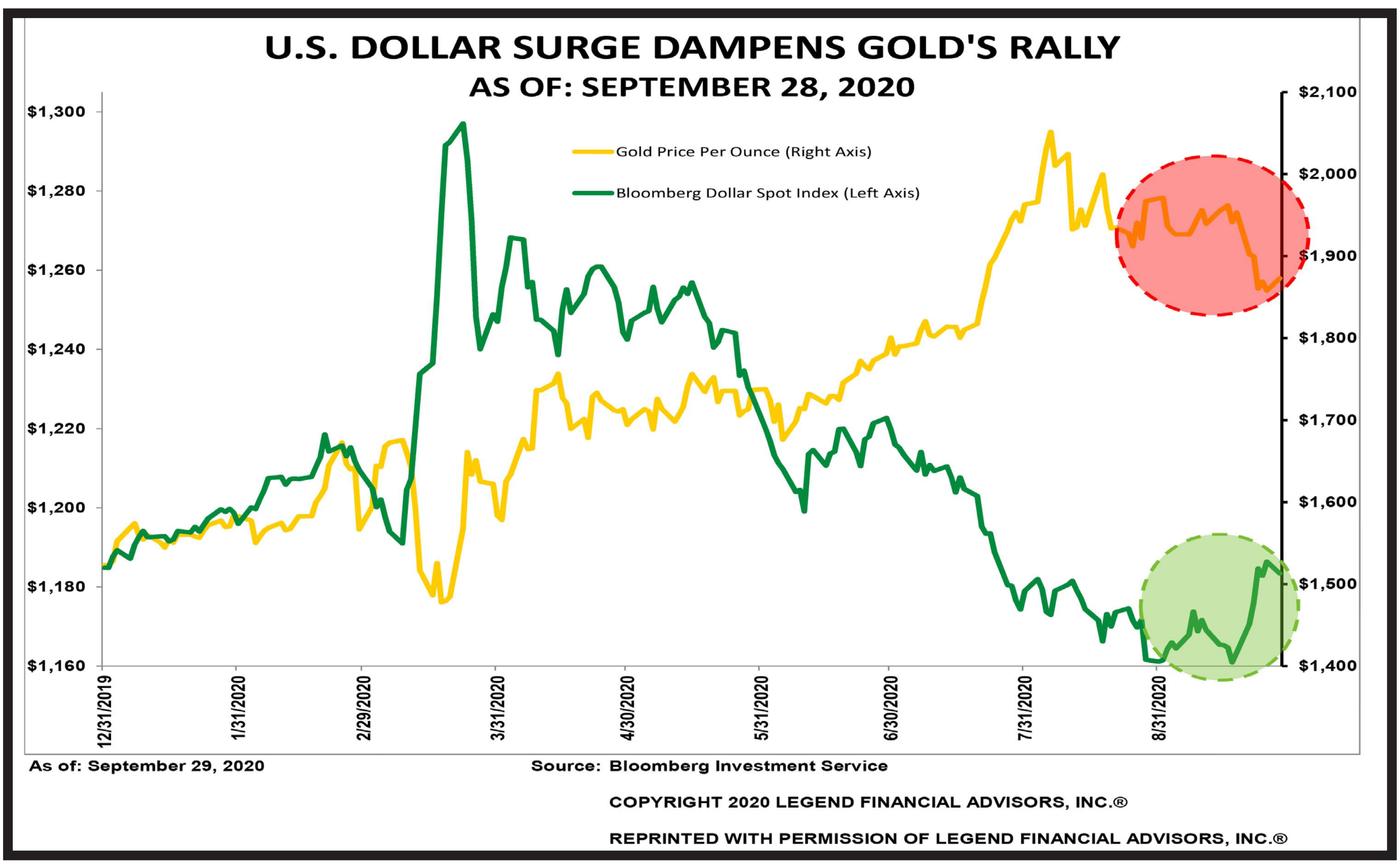
PRIORITY OF PAYMENT
Floating Rate Loans (“Senior Loans”, “Bank Loans”, “Leveraged Loans”)
Senior (Unsecured) Debt (Traditional Bonds, Convertible Bonds)
Subordinated Unsecured Debt (Traditional Bonds, Convertible Bonds)
Preferred Stock
Common Stock (Equity)

As of: Q1 2019

Source: Symphony Asset Management, *Nuveen Symphony Floating Rate Income Fund*,Q1 2019



GOLD GAINS BROADENING APPEAL AS DOLLAR, U.S. REAL YIELDS DECLINE
JULY 1, 2019 to SEPTEMBER 29, 2020
1,300
1,280
1,260
1,240
1,220
1,200
1,180
1,160
0.50%
0.00%
-0.50%
-1.00%
-1.50%
$2,100
$2,000
$1,900
$1,800
$1,700
$1,600
$1,500
$1,400
$1,300
U.S. 5-Year Real Yield (Right Axis)
Gold Spot Price Per Ounce (Right Axis 2)
Bloomberg Dollar Index (Left Axis)
7/1/2019
8/1/2019
9/1/2019
10/1/2019
11/1/2019
12/1/2019
1/1/2020
2/1/2020
3/1/2020
4/1/2020
5/1/2020
6/1/2020
7/1/2020
8/1/2020
9/1/2020
As of: September 29, 2020
Source: Bloomberg Investment Service
COPYRIGHT 2020 LEGEND FINANCIAL ADVISORS, INC.®
REPRINTED WITH PERMISSION OF LEGEND FINANCIAL ADVISORS, INC.®



U.S. DOLLAR SURGE DAMPENS GOLD'S RALLY
AS OF: SEPTEMBER 28, 2020
$1,300
$1,280
$1,260
$1,240
$1,220
$1,200
$1,180
$1,160
$2,100
$2,000
$1,900
$1,800
$1,700
$1,600
$1,500
$1,400
Gold Price Per Ounce (Right Axis)
Bloomberg Dollar Spot Index (Left Axis)
12/31/2019
1/31/2020
2/29/2020
3/31/2020
4/30/2020
5/31/2020
6/30/2020
7/31/2020
8/31/2020
As of: September 29, 2020
Source: Bloomberg Investment Service
COPYRIGHT 2020 LEGEND FINANCIAL ADVISORS, INC.®
REPRINTED WITH PERMISSION OF LEGEND FINANCIAL ADVISORS, INC.®

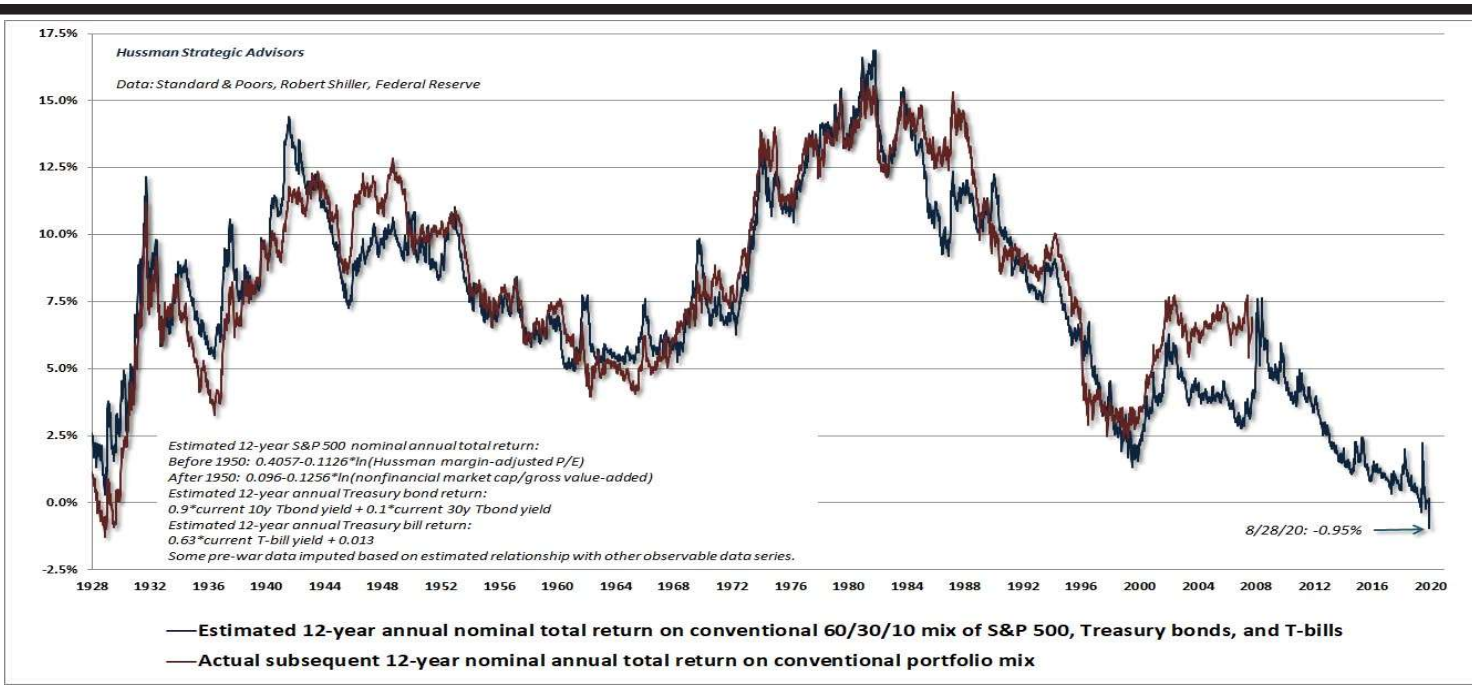
PRESENT MARKET VALUATIONS POINT TO REALLY LOW RETURNS

By John P. Hussman, Ph. D., President, Hussman Investment Trust

The most important observation about market valuations here is that while a decade of zero interest rate policy has encouraged yield-seeking speculation in stocks, the resulting extreme in stock market valuations has also driven likely 10-12 year S&P 500 nominal total returns below zero. The same outcome accompanied the decade following the 2000 market peak.

The chart below shows Hussman Group's estimate of average annual nominal total returns for a conventional passive portfolio mix invested 60.0% in the S&P 500, 30.0% in Treasury bonds, and 10.0% in Treasury bills. As of August 28, that estimated 12-year total return has declined to -0.95%, easily the lowest level in history, including the extreme low associated with the 1929 market peak. The red line shows actual realized total returns on this portfolio mix over the same 12-year periods.

Source: This article was excerpted from "Yikes", By John P. Hussman, Ph. D., President, Hussman Investment Trust, (Market Commentary, September, 2020), www.hussmanfunds.com



As of: September, 2020
COPYRIGHT 2020 HUSSMAN INVESTMENT TRUST

Source: Hussman Investment Trust, *Market Commentary*, September, 2020
REPRINTED WITH PERMISSION FROM HUSSMAN INVESTMENT TRUST

Risk-Adjusted Returns, *continued from page 1*

for the same amount of returns or higher returns for the same amount of risk.

Risk-Adjusted Returns are usually applied to individual stocks, investment funds and entire portfolios. Basically, an investor would want to receive a higher return given the level of risk taken. For example, if the S&P 500 (all stocks) fell 25.0%, while an investor's portfolio fell 15.0%, and the stock portfolio ended up break-even at year-end and so did the investor's portfolio, the investor's portfolio would have a significantly better Risk-Adjusted Return than the stock market index. In short, the investor's portfolio had a downside that was less dramatic than the S&P 500. Market mathematicians believe it is more important to limit the downside while earning better long-term returns thereby earning better Risk-Adjusted Returns.

Evaluating portfolio returns over short time periods, such as three years or less (five years is probably a better time period to evaluate returns), can be harmful to an investor's long-term returns. However, achieving higher Risk-Adjusted Returns over the long-run should satisfy most investors.

FED WATCH

INTEREST RATES AS OF SEPTEMBER 29, 2020

Fed Funds Rate Range:	**0 – 0.25%**
Fed Discount Rate:	**0.25%**

2020 UPCOMING FED MEETING SCHEDULE

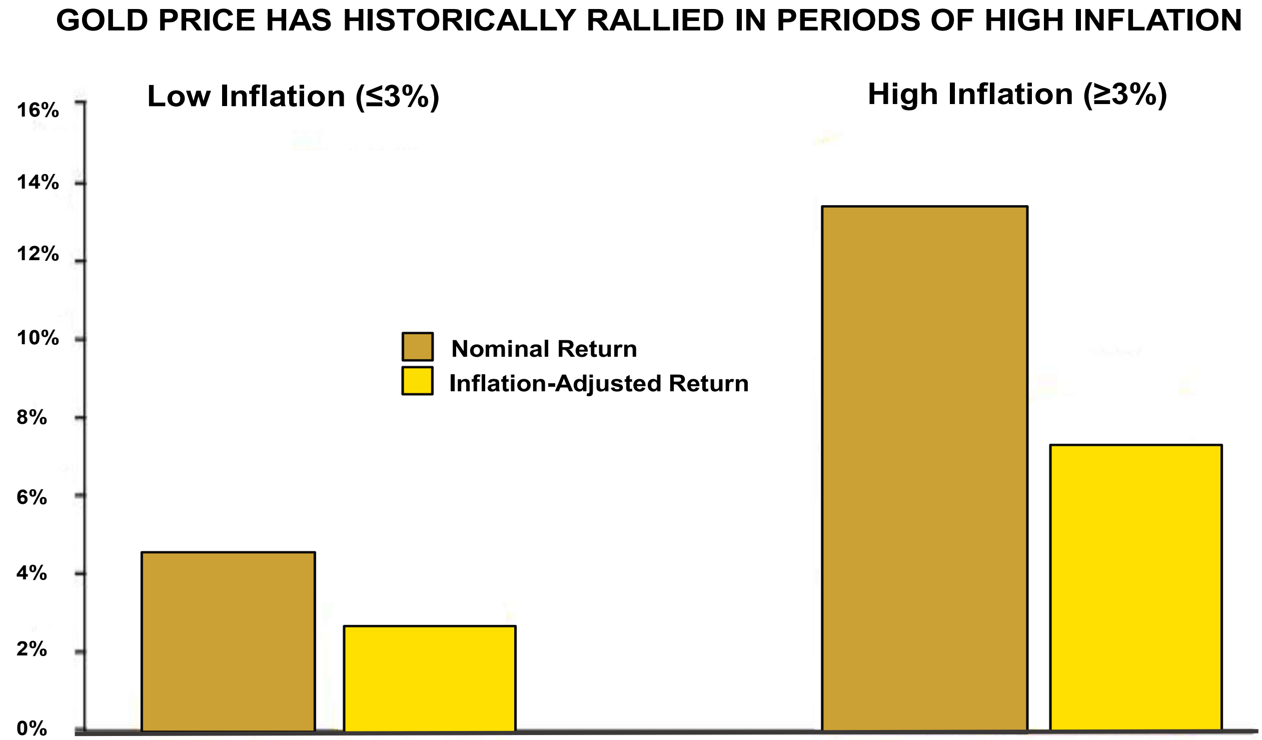
November 4-5

December 15-16

Source: Bloomberg Investment Services

1

PULSE



Average Annual Percent Change as a Function of Annual Inflation Based on year-over-year changes in the LBMA Gold Price and U.S. Consumer Price Index (CPI) between 1971 and 2018

Data Source: Bloomberg, ICE Benchmark Administration, World Gold Council, U.S. Global Investors

PERFORMANCE OF PRECIOUS METALS DURING BEAR MARKETS IN STOCKS

Bear Market Dates	S&P 500	Gold
January 11, 1973 – October 3, 1974	-48.2%	138.8%
September 21, 1976 – March 6, 1978	-19.4%	53.8%
November 28, 1980 – August 12, 1982	-27.1%	-46.3%
August 25, 1987 – December 4, 1987	-33.5%	6.2%
July 16, 1990 – October 11, 1990	-19.9%	6.8%
July 17, 1998 – August 31, 1998	-19.3%	-5.8%
March 24, 2000 – October 9, 2002	-49.1%	12.1%
October 9, 2007 – March 9, 2009	-56.8%	25.5%
April 29, 2011 – October 3, 2011	-19.4%	7.8%
Medians	-29.6%	7.8%

As of: October, 2020

Source: The Leuthold Group, LLC, *Perception Express*, February, 2018, http://leuth.us/stock-marke

RANDOM THINKING

PERSONAL SAVINGS RATE SKYROCKETS

The personal savings rate in the United States was a record 33.5% in April 2020 as Americans in reaction to the Coronavirus outbreak. In contrast, the personal savings rate in the United States was 7.5% as of April 2019. The personal savings rate is defined as "savings" (i.e. after-tax income less consumption spending) divided by after-tax income[1].

Editor's Viewpoint:

Due to the huge decline in discretionary spending, many individuals are spending a lot less these days. Unfortunately, our economy is slowing as a result.

Footnote:
[1] Source of Information: Department of Commerce

CALM BEFORE THE STORM?

Banks repossessed 230,305 homes in calendar year 2018. Banks repossessed 143,955 homes in calendar year 2019. Through July 31, 2020, banks had repossessed 40,080 homes Year-To-Date[1] – This no doubt was helped by new laws in the U.S. preventing foreclosures and evictions.

Footnote:
[1] Source of Information: Attom Data Solutions

SHOULD I GET THE VACCINE OR NOT?

49.0% of 1,056 American adults surveyed in mid-May 2020 plan on getting the COVID-19 vaccine as soon as it becomes available. 51.0% either will not get the vaccine immediately or are not sure what they will do[1].

Footnote:
[1] Source of Information: National Opinion Research Center at the University of Chicago

THE SAFETY AND DANGER ZONES

As of August 8, 2020, 58.0% of American COVID-19 deaths occurred to individuals at least age 75, while just 1.0% of the victims were under the age of 35[1].

Editor's Viewpoint:

As additional data becomes available, it will be published by this publication. It is best to take as many precautionary measures as possible.

Footnote:
[1] Source of Information: HealthData.gov

HUGE REFINANCING SURGE

64.0% of mortgage applications filed during the week ending Friday, August 7, 2020 (the last date reported) were current homeowners refinancing existing mortgage debt as opposed to new home purchases[1].

Editor's Note:

This trend is expected to continue so long as mortgage interest rates continue to decline or remain at current levels. Many individuals are attempting to cut costs where possible.

Footnote:
1 Source of Information: Mortgage Bankers Association

U.S. BIRTHRATE CONTINUES TO DECLINE

The U.S. fertility rate (birthrate), i.e., the number of children that are projected to be born to a woman in her lifetime, has declined in ten of the last 11 years since 2007. The rate was 2.12 children in 2007, falling to 1.73 children in 2018, the latest year that the data has been calculated1.

Editor's Viewpoint:

Population growth affects Growth Domestic Product (GDP). In most other countries around the world, countries such as Japan with declining population growth as well as many European countries have had steadily declining GDP rates of growth.

Footnote:
1 Source of Information: World Bank

SECULAR BEAR MARKET WATCH

April 1, 2000 to August 31, 2020
(20 years and 5 month)

	Annual Compound Return	Total Return
Consumer Price Index (Inflation)	2.06%	51.82%
90-Day Treasury Bills Index-Total Return	1.53%	36.37%
Bloomberg Intermediate Term Corporate Bond Index	5.55%	201.79%
Barclays Aggregate Bond Index-Total Return	5.15%	178.99%
High Yield Corporate Bond Index – Total Return	8.83%	463.48%
S&P Leveraged Loan Index – Total Return	4.65%	153.25%
S&P 500 Index (U.S. Stock Market)	6.29%	247.61%
Russell 2000 Index (Small-Caps)	6.75%	279.62%
MSCI EAFE Index (Developed Foreign Equities)	3.57%	104.94%
MSCI Emerging Market Index (Equities)	6.75%	279.57%
Newedge CTA Index (Managed Futures)	3.96%	121.17%
HFRX Global Hedge Fund Index	2.37%	61.37%
Dow Jones–UBS Commodity Index-Total Return (USD)**	-1.44%	-25.59%
Dow Jones U.S. Real Estate Index-Total Return (USD)**	9.81%	576.84%
Gold Bullion	10.01%	602.23%

As of: August 31, 2020

Compound and Total Returns include reinvested dividends. MSCI Indexes do not include dividends prior to 2002. Newedge Index is equally-weighted.

** USD = U.S. Dollar

Source: Bloomberg Investment Service

Note: During Secular Bear markets U.S. Stocks have historically returned a little more than inflation or a little less than inflation—plus or minus 1.50%—and generally last between 15 to 25 years. The last Secular Bear market (1966 to 1982) lasted 17 years and underperformed inflation by approximately one-half of one percent per year. The other Secular Bear markets since 1900 were 1901 to 1920 and 1929 to 1949. In both cases, the U.S. Stock market outperformed inflation by approximately 1.50% per year. All of the aforementioned performance numbers are pre-tax.

The performance of the U.S. Stock market so far in the current period (April 1, 2000 to the present) certainly appears to indicate that we are in a Secular Bear market. Long-term returns (over the next 10 years) for the S&P 500 will probably be slightly worse than the last 20 years and 5 months. Current 10 year normalized P/Es (long-term valuations) indicate approximate annual compound returns of slightly less than 3.00% over the next 10 years. Of course during the next 10 years, returns during various periods will be significantly higher and lower than the expected return. For example, the more the stock market rises in the near term, the less returns after that period will be and vice versa.

2020 YEAR-TO-DATE PERFORMANCE

January 1, 2020 to August 31, 2020
(8 months)

	2020 Year-To-Date Return
Consumer Price Index (Inflation)	1.15%
90-Day Treasury Bills Index-Total Return	0.33%
Bloomberg Intermediate Term Corporate Bond Index	5.80%
Barclays Aggregate Bond Index-Total Return	6.85%
High Yield Corporate Bond Index – Total Return	7.13%
S&P Leveraged Loan Index – Total Return	-1.29%
S&P 500 Index (U.S. Stock Market)	9.74%
Russell 2000 Index (U.S. Small-Caps)	-5.54%
MSCI EAFE Index (Developed Foreign Equities)	-4.21%
MSCI Emerging Market Index (Equities)	0.67%
Newedge CTA Index (Managed Futures)	-1.46%
HFRX Global Hedge Fund Index	1.80%
Dow Jones–UBS Commodity Index-Total Return (USD)**	-9.36%
Dow Jones U.S. Real Estate Index-Total Return (USD)**	-10.04%
Gold Bullion	28.96%

As of: August 31, 2020

Compound and Total Returns include reinvested dividends. Newedge Index is equally-weighted.
** USD = U.S. Dollar
Source: Bloomberg Investment Service

LEGEND FINANCIAL ADVISORS, INC.® & EMERGINGWEALTH INVESTMENT MANAGEMENT, INC.'S® INVESTMENT MANAGEMENT SERVICES

Legend Financial Advisors, Inc.® (Legend) and EmergingWealth Investment Management, Inc.® (EmergingWealth) offer Personalized Investment Management Services to individuals and institutions. Investment portfolios are developed to match the client's return and risk requirements, which are determined by the clients' completion of a Risk Comfort Zone Questionnaire, with the guidance of a Legend Wealth Advisor or EmergingWealth Advisor, respectively. Each type of investment portfolio is managed to achieve the short, intermediate and long-term investment objectives of the client, as may be applicable.

INVESTMENT PROCESS

Investment Portfolios:

Unlike most financial advisory firms that offer one style of investment or portfolio type, we offer a wide array of investment portfolios that usually fit with the large majority of client needs. If necessary, we will create customized solutions as well. For the types of investment portfolios, please see our Investment Portfolios, Potential Return and Risk Spectrum Chart on the next page. For a detailed description of our portfolios, please contact Louis P. Stanasolovich, CFP®, founder, CEO and President of both firms for a confidential discussion at (412) 635-9210 or e-mail us at legend@legend-financial.com.

Investment Research:

Our Investment Committee performs extensive research to identify opportunities, mitigate risks and structure investment portfolios. Emphasis is placed on developing portfolios that maximize the potential return relative to the amount of risk taken.

In-depth due diligence including face-to-face interviews in many instances with portfolio managers for open-end mutual funds is performed on each investment we select for a portfolio. Factors (both from a qualitative and quantitative standpoint) that we conduct a thorough analysis of each investment include, but is not limited to, liquidity (including the primary investment and/or the underlying investments, if utilizing pass through vehicles such as open-end mutual funds or exchange-traded products), income taxation, all related costs, return potential, drawdown potential (historical declines from peak-to-trough), volatility and management issues (Anything having to do with the management team of a stock, open-end mutual fund or an exchange-traded product.).

All portfolios for EmergingWealth are subadvised by Legend.

Client Education:

Education is very important to us. We are dedicated to educating each client about the different investment portfolio types and how they relate to market volatility, time horizons, and investment returns. It is our goal to ensure that the client understands and agrees with our investment philosophy. Furthermore, we assist each client in selecting a risk tolerance level with which they are comfortable. Ultimately, an investment portfolio is designed to meet the client's objectives.

PERFORMANCE REPORTING

Many investment firms only offer monthly brokerage statements, which provide minimal information; typically only account and investment balances. We, on the other hand, provide detailed quarterly reports that outline performance, income and management fees (among other items) in a simple, easy-to-read report. In addition, each performance report is sent with an extensive index page that illustrates the investment environment during the reporting period.

FEES

To find out more about the fees for either Legend or EmergingWealth's Investment Management services, please contact Louis P. Stanasolovich, CFP®, founder, CEO and President of both firms for a confidential discussion at (412) 635-9210 or e-mail us at legend@legend-financial.com.