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THE GLOBAL INVESTMENT PULSE

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HOW WELL TAX-LOSS HARVESTING BENEFITS THE INVESTOR DEPENDS UPON A NUMBER OF FACTORS

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

Tax-loss harvesting (also known as Income Tax-Loss Harvesting), or strategically taking investment losses to offset income, which is being mentioned in the press almost daily in recent years, is a perfectly legal maneuver that doesn't eliminate income and/or capital gains taxes as it does delay them. Delaying for sometimes as long as decades is valuable because investors earn a return while Uncle Sam waits to get paid.

Tax-Loss, *continued on page 4*

REINVESTING DIVIDENDS OR CAPITAL GAINS USUALLY DOES NOT MAKE SENSE

By Diane M. Pearson, CFP®, PPC™, CDFA®, Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.®

Think that reinvesting dividends and capital gains distributions from mutual funds is always the right thing to do? Think again. Historically (at least pre-1990), advisors and investors had always been taught to reinvest distributions. These reasons are as follows:

1. To avoid paying commissions on the reinvestment of distributions.
2. To compound the return of the individual mutual fund.
3. To ensure that the distribution is not spent by the investor.
4. Convenience for the investor.

Reinvesting Dividends, *continued on page 7*

2019; JUST LIKE 1999

By Doug Ramsey, CFA, CMT, Chief Investment Officer, The Leuthold Group, LLC

Almost from the beginning, we've pointed out this rally's similarities to the great market melt-up that followed the Long-Term Capital Management crisis in the fall of 1998. Current leadership trends continue to track their 1998-99 behavior in an almost eerie fashion, so much so that we now wish we'd used that historical period as our instruction manual! We think Growth, Technology, and domestic stocks over international are still the best bets for those who believe the bull has another six to twelve months of life. These leadership themes are now so embedded in equity investors' collective psyche that it will probably require a bear market to uproot them.

1999, *continued on page 6*

FREE WEBCAST "BUYING INDIVIDUAL STOCKS IN THE 9TH INNING"

Presented by Louis P. Stanasolovich, CFP®, CEO and President (See biography on page 2)

Wednesday, August 21st, 2019 at Noon EST

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9TH INNING, *continued on page 11*

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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.

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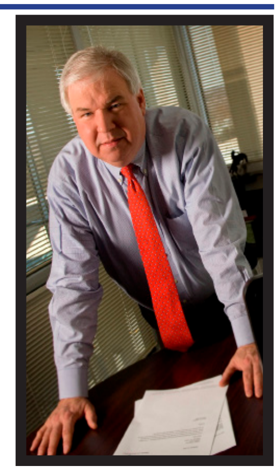
EmergingWealth Investment Management, Inc.® (EmergingWealth), is the sister firm of Legend Financial Advisors, Inc.® (Legend) and is a Fee-Only Securities and Exchange Commission (SEC) registered investment advisory firm. EmergingWealth provides Investment Management services to individuals as well as 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.

LEAD/LAG TIMES FROM YIELD CURVE: INVERSIONS, BEAR MARKETS, AND RECESSIONS

			Number of Months		
Yield Curve Inversion Date *	Bear Market Start Date	Recession Start Date	Yield Curve Inversion Date To Bear Market Start Date	Yield Curve Inversion Date To Recession Start Date	Bear Market Start Date To Recession Start Date
1/11/66	2/9/66	N/A	1.0	N/A	N/A
12/19/68	12/3/68	12/31/69	-0.5	12.4	12.9
6/1/73	1/11/73	11/30/73	-4.6	6.0	10.6
11/1/78	9/8/78	1/31/80	-1.8	15.0	16.8
10/29/80	4/27/81	7/31/81	5.9	9.0	3.1
3/27/89	7/16/90	7/31/90	15.6	16.1	0.5
9/10/98	7/17/98	N/A	-1.8	N/A	N/A
9/8/00	1/14/00	3/31/01	-7.8	6.7	14.5
1/17/06	10/9/07	12/31/07	20.7	23.4	2.7
3/22/19 **	??	??	??	??	??
Median			-0.5	12.4	10.6

* An Inverted Yield Curve is when the 10-year Treasury yield minus Three-Month Treasury yield is less than zero.
** First inversion in two years. Recessions are defined by the National Bureau of Economic Research

As Of: July 19, 2019

Source: Ned Davis Research via CMG Capital Management Group, Inc., *On My Radar*, July 19, 2019, www.cmgwealth.com

Tax-Loss, *continued from page 1*

Many professional investors believe tax-loss harvesting is the only sure alpha! Tax-loss harvesting enables investors that own investments outside of tax-sheltered accounts such as 401(k)s, 403(b)s, 401(a)s, pension and profit-sharing plans and Individual Retirement Accounts (IRAs), Roth IRAs, etc. to use investments with losses to offset realized gains of taxable investments. Losses can even be used to offset up to $3,000.00 of ordinary income such as salaries. Lower income often means lower taxes.

Better yet, these tax losses never expire. For example, if an investor realizes $20,000.00 of losses this year and offsets only $13,000.00 of gains, the $7,000.00 leftover can go against taxable gains in future years.

For example, an investor who purchased 100 shares of XYZ S&P 500 Exchange-Traded Fund (ETF) on December 15, 2017, at the closing price $120.00 a share could have sold those shares on December 20, 2018 for $108.00, realizing a total loss of $1,200.00.

Taking the loss is only half the battle. Investors can't buy back the same or a "substantially identical" investment for 30 days—or the IRS deems it a "wash sale". If the loss is taken and the shares are rebought within 30 days, the loss is disallowed. If the liquidated shares rebound in that timeframe, the investor would not profit from the rebound.

A wash-sale doesn't apply to "substantially similar" investments. In other words, they would be essentially the same investment, but not exactly the same. This is where ETFs can use essentially the same investments, but be different. Most ETFs track broad indexes on asset classes such as U.S. stocks, emerging market companies or corporate bonds. Finding a similar fund is fairly easy.

For example, it is possible to harvest losses by switching between a capitalization-weighted ETF and an equally-weighted ETF. The ETFs own many of the same stocks and deliver similar returns, but they follow different indexes. By swapping one for the other, investors can lower their income tax bill and still have the ability to profit if markets rebound.

Extended market declines can result in investors briefly holding more cash than normal, to their benefit.

Even when the strategy works, investors have to pay the IRS eventually, unless they die without selling the shares or donate them to charity. Deferring income taxes and potentially offsetting income taxed at a higher rate into a lower income tax bracket is a valuable perk.

Income tax-loss harvesting benefits realized by any investor depends on their portfolio and their particular state and federal income tax rate that applies to them.

Tax-loss harvesting is a sound investment practice, but it's often a timing thing. How well it works depends upon one's individual circumstances.

PULSE

UNDERSTANDING DAILY TIPS INTEREST ACCRUALS—A BIT COMPLEX

By Diane M. Pearson, CFP®, PPC™, CDFA®, Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.®

In recent years, several investment pundits had been recommending Treasury Inflation Protection Securities (TIPS) as a fixed income investment because of rising interest rates. TIPS interest calculation mechanics are calculated in an unusual manner relative to the typical bond. The principal accrual is calculated daily by applying the second prior month's (two months before the current month—in other words, a two-month lag) non-seasonally adjusted CPI-U percentage (commonly known as inflation) change proportionately to each day (meaning the daily rate is applied to the number of days) of the current calendar month. The CPI-U index is the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers. For example, during each day of November, let's suppose the daily principal accruals were 0.0233% as September's CPI-U was +0.7% (0.7% / 30 days = 0.0233%) and was prorated throughout the month of November. This is the multiple that would then be used to value TIPS throughout the month.

Given the complicated nature of the above calculation, it is best to own TIPS or TIPS mutual funds and/or Exchange-Traded Funds (ETFs) within IRAs and/or retirement plans.

PULSE

MUTUAL FUND BASICS

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

One of the best and simplest ways of growing your money is to invest into mutual funds. They are very cost efficient, easy to invest in, safer and less volatile than stocks. However, when it comes to researching or selecting mutual funds, most investors find the process overwhelming, when it doesn't have to be.

It is important to remember that the biggest advantage to investing in mutual funds is diversification. An individual who owns shares in a mutual fund can invest as little as $25.00. Some mutual funds, though, have higher minimum investments. By investing money into a mutual fund, an investor's money, no matter how small an amount, is diversified among hundreds and perhaps thousands of stocks, bonds, or other securities, thereby minimizing risk.

As a result, there isn't a need to buy bonds and stocks directly. Investors also avoid volatility from one or two stocks. Furthermore, by investing in mutual funds, investors pay minimal fees, often less than 1.0% of the investment per year, while the monies are being managed by mutual fund managers, who are professional money management experts.

Money from a mutual fund is made when the stocks, bonds, or other securities increase in value, issue dividends or make interest payments. When investing in a mutual fund, the income made is the result of income received from dividend paying stocks, and/or interest from bonds. If the mutual fund sells a holding whose value has increased, there of course is a profit. Even if the mutual fund does not sell a specific holding, the mutual fund itself will still increase in value.

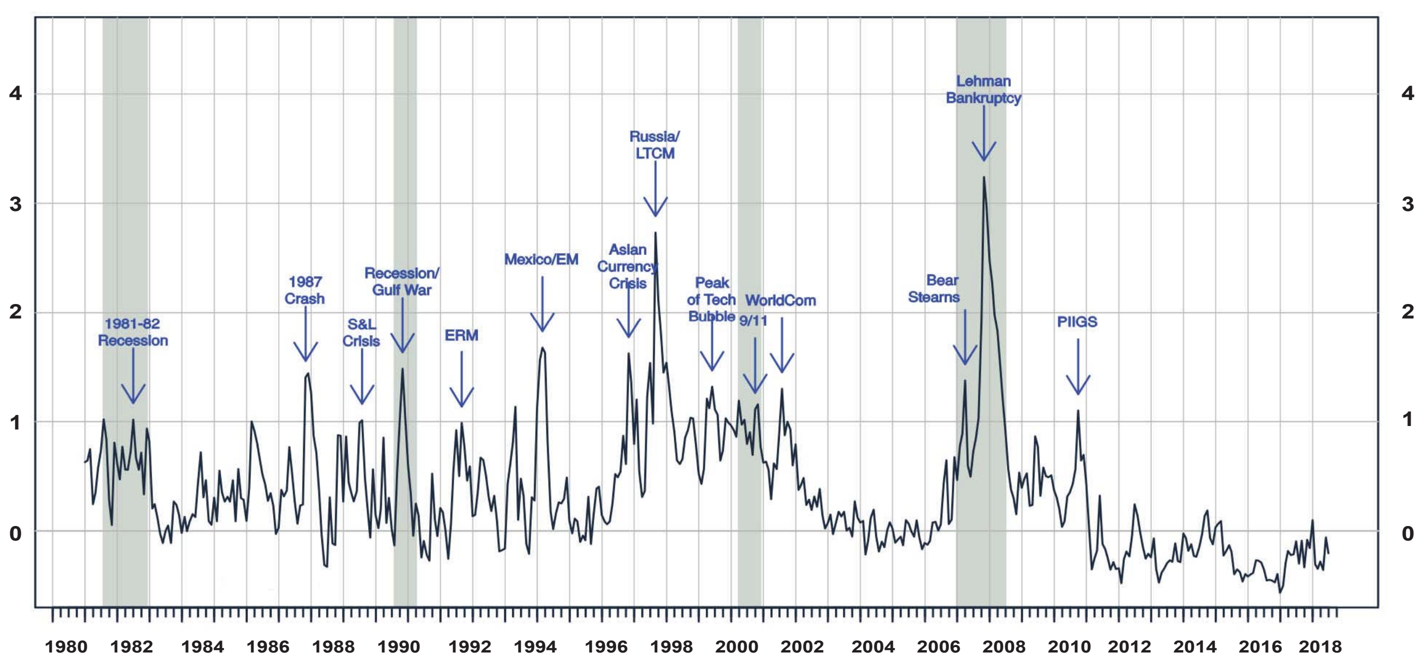
Therefore, the value of the shares held by investors in the mutual fund will increase in value when the holdings increase in value. Capital gains, income from debt investments (bonds or variable interest rate investments) that pay interest or dividend payments, can be paid out as cash or can be reinvested into new mutual fund shares of the same fund.

PULSE

MONTHLY RISK AVERSION INDEX (RAI)

RISK INDEX DECREASES SLIGHTLY-STILL NEAR LOWEST LEVEL EVER

Note: The Risk Aversion Index combines ten market-based measures including various credit and swap spreads, implied volatility, currency movements, commodity prices and relative returns among various high- and low-risk assets.



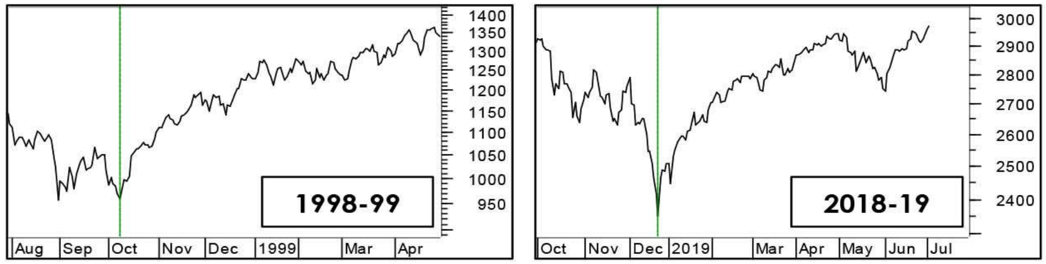
As of: July 5, 2019

Source: The Leuthold Group, LLC, *Perception Express*, July 5, 2019, http://leuth.us/macro-monitor

1999, *continued from page 1*

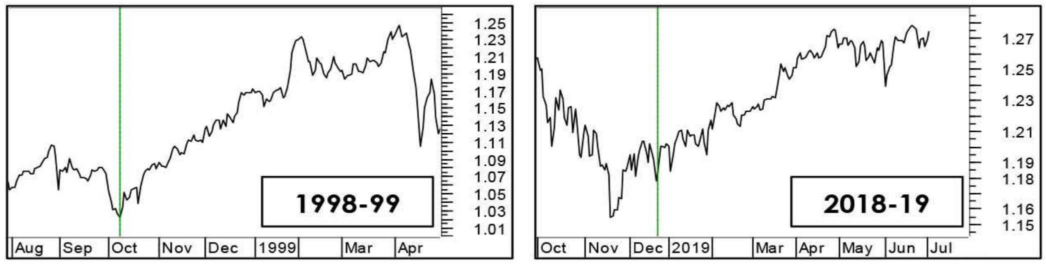
S&P 500:

The S&P 500 is up 26.5% from its low 130 days ago, compared with a 37.5% gain at the same point in the 1998-99 rally.



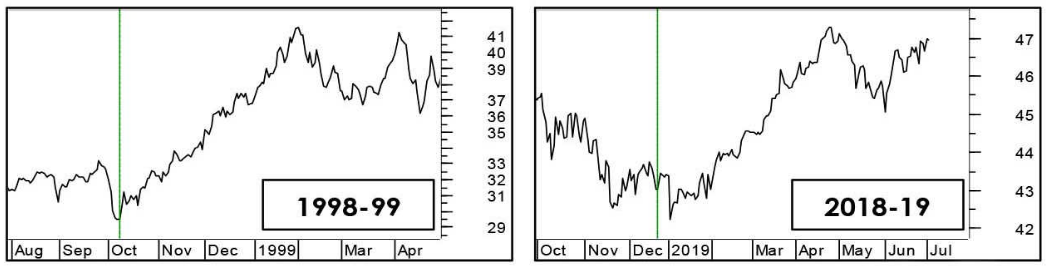
Russell 1000 Growth/Value:

Growth is about ten percentage points ahead of Value, off last year's lows; the gap at the same stage of the 1998-99 rally was 17.0%.



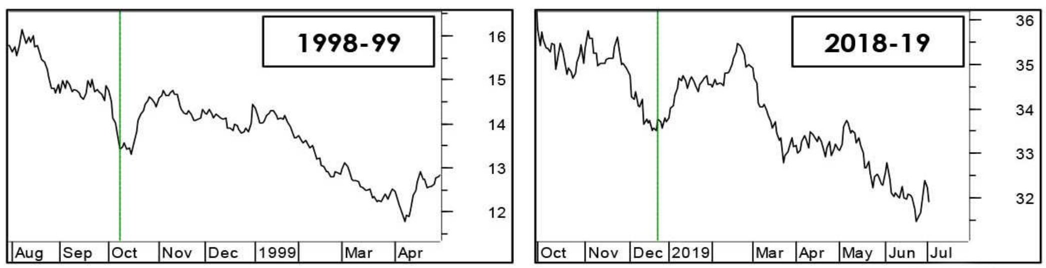
S&P 500 Technology Rel. Strength:

While the Russell/Relative Strength lines look almost identical, Tech's gain of 38.1% off the lows is only about half of its 1998-99 gain at the 130-day point (+74.1%).



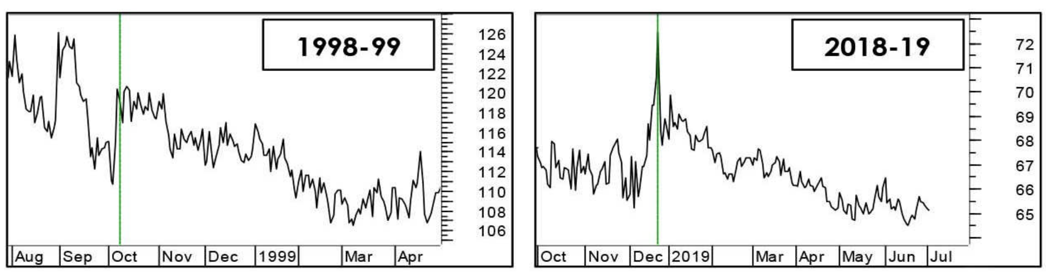
S&P 500 SmallCap 600 Rel. Strength:

In both cases, Small Caps staged a brief bounce off correction lows before fading.



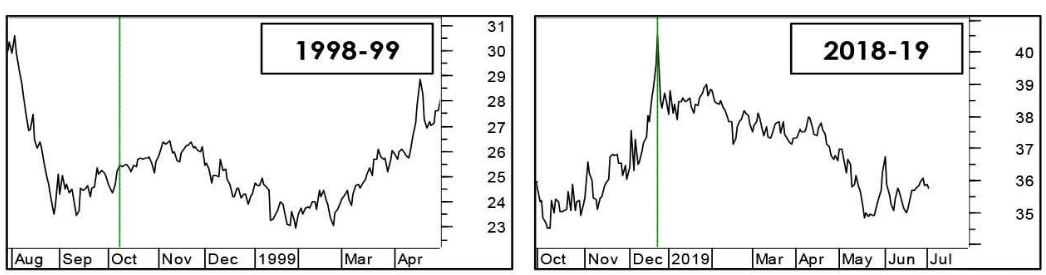
EAFE / S&P 500:

EAFE relative performance in each instance has been nearly identical. In 1998-99, however, the main culprit was a nearly 10.0% gain in the dollar.



Emerging Markets / S&P 500:

If the 1998-99 roadmap remains a helpful gauge, the recent bounce in Emerging Markets could turn out to be something bigger.



Source: This article was excerpted from "Reliving '99... Tick by Tick", by Doug Ramsey, CFA, CMT, Chief Investment Officer, The Leuthold Group, LLC, (*Perception Express*, July 5, 2019), http://leuth.us.stock-market

Reinvesting Dividends, *continued from page 1*

All of these reasons came about in an era when investors bought a loaded (commissioned) mutual fund or funds from one mutual fund family, held it forever, put money into it blindly, rarely diversifying among asset classes and never rebalanced. Today, utilizing discount brokerage accounts eliminates all of these reasons whether or not those accounts are taxable or either IRA or retirement accounts.

Today, most sophisticated advisors rarely use loaded funds (A, B, C or D share classes of a mutual fund). Usually they have all of their clients' funds structured within a portfolio utilizing different asset classes spread out across at least several mutual funds from different fund families (no single mutual fund family has all the offerings needed to buy a truly diversified portfolio—for examples of this, simply look at American Century, Fidelity, American Funds, T. Rowe Price, Vanguard, Janus, etc. - none of which have a single mutual fund that shorts or employs a long-short investment strategy, and most of those families don't offer a commodities fund). Usually, large mutual fund groups do not offer small stock mutual funds unless they are indexes. Furthermore, Exchange-Traded Funds (ETFs) and Exchange-Traded Notes (ETNs) are often part of many investors' portfolios these days as well.

Today, most Fee-Only, Fiduciary (Legend and EmergingWealth are such firms) advisors have all of their clients' securities housed at discount brokerage firms. More sophisticated advisors understand this thought process and follow this plan themselves. As a result of these changes, advisors and investors can now harvest gains by not reinvesting distributions from their investments. Also, these distributions are being taxed for income tax purposes whether reinvested or not. In most cases, this creates a forced sale of winning funds. Instead, the distributions are paid into the discount brokerage account's money market fund where they can then be used to distribute cash for the investor to live on, or the cash can be actively rebalanced among the components of the portfolio. This process, coupled with the low transaction costs of most discount brokerage firms' trading platforms, prevents or at least minimizes the need for generating additional taxable gains because the advisor would not have to sell off appreciated funds to rebalance and/or generate cash flow for the client.

Reinvesting mutual fund distributions back into the mutual fund that made the distribution makes sense for reasons (to avoid reinvestment commissions and to avoid sending small commission checks to investors) developed in the 1950s, 1960s and 1970s, but rarely makes sense today. After all, when one thinks about it, no mutual fund manager ever purchases stocks through a Dividend Reinvestment Plan (also known as a DRIP plan). Why then should an individual investor?

PULSE

SECULAR BEAR MARKET WATCH

April 1, 2000 to June 30, 2019
(19 years and 3 months)

	Annual Compound Return	Total Return
Consumer Price Index (Inflation)	2.11%	49.62%
90-Day Treasury Bills Index-Total Return	1.59%	35.46%
Bloomberg Intermediate Term Corporate Bond Index	5.44%	177.31%
Barclays Aggregate Bond Index-Total Return	4.98%	154.85%
High Yield Corporate Bond Index – Total Return	8.74%	401.85%
S&P Leveraged Loan Index – Total Return	4.87%	149.63%
S&P 500 Index (U.S. Stock Market)	5.60%	185.59%
Russell 2000 Index (Small-Caps)	7.10%	274.61%
MSCI EAFE Index (Developed Foreign Equities)	3.65%	99.57%
MSCI Emerging Market Index (Equities)	6.74%	251.23%
Newedge CTA Index (Managed Futures)	4.21%	121.19%
HFRX Global Hedge Fund Index	2.20%	52.11%
Dow Jones–UBS Commodity Index-Total Return (USD)**	-1.10%	-19.15%
Dow Jones U.S. Real Estate Index-Total Return (USD)**	10.60%	595.72%
Gold Bullion	8.81%	407.79%

As of: June 30, 2019

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 19 years and 3 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.

2019 YEAR-TO-DATE PERFORMANCE

January 1, 2019 to June 30, 2019
(6 months)

	2019 Year-to-Date Return
Consumer Price Index (Inflation)	1.95%
90-Day Treasury Bills Index-Total Return	1.16%
Bloomberg Intermediate Term Corporate Bond Index	7.08%
Barclays Aggregate Bond Index-Total Return	6.11%
High Yield Corporate Bond Index – Total Return	11.01%
S&P Leveraged Loan Index – Total Return	5.71%
S&P 500 Index (U.S. Stock Market)	18.54%
Russell 2000 Index (U.S. Small-Caps)	16.97%
MSCI EAFE Index (Developed Foreign Equities)	14.53%
MSCI Emerging Market Index (Equities)	10.69%
Newedge CTA Index (Managed Futures)	4.72%
HFRX Global Hedge Fund Index	4.22%
Dow Jones–UBS Commodity Index-Total Return (USD)**	3.83%
Dow Jones U.S. Real Estate Index-Total Return (USD)**	19.21%
Gold Bullion	10.33%

As of: June 30, 2019

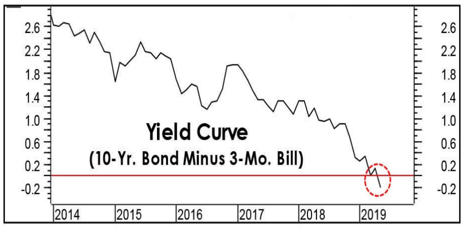
Compound and Total Returns include reinvested dividends. Newedge Index is equally-weighted.
** USD = U.S. Dollar
Source: Bloomberg Investment Service

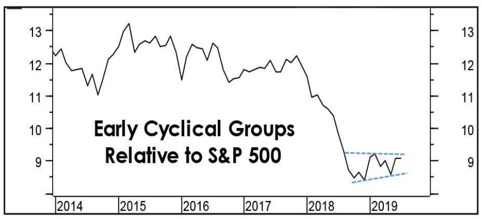
STARTING TO TURN NEGATIVE

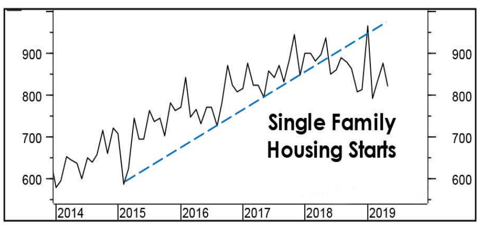
By Doug Ramsey, CFA, CMT, Chief Investment Officer, The Leuthold Group, LLC

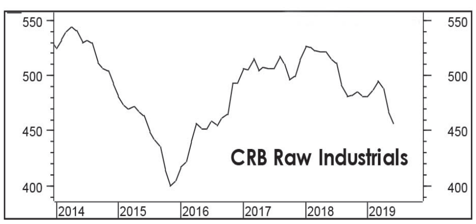
As Edited By Louis P. Stanasolovich, CFP®, CEO and President of Legend Financial Advisors, Inc.® and EmergingWealth Investment Management, Inc.®

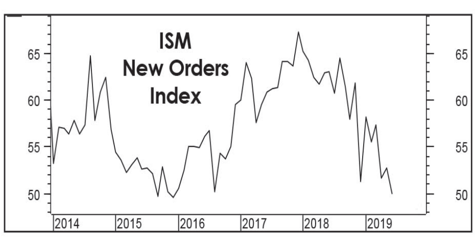
RECESSION WATCH CHARTS

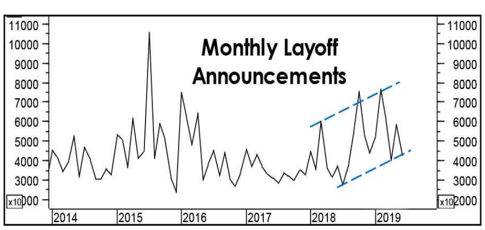












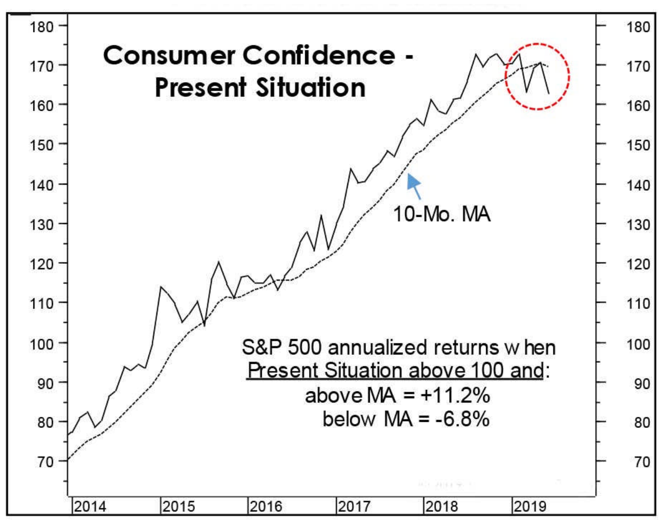
Over a 12-month horizon, it now appears that a U.S. Recession is very likely, but when it actually arrives is the difficult part. Second-half stock returns could be decent if the business-cycle peak is still a year away. Then again, there's peril in waiting for confirmation of a Recession.

So far, a positive Gross Domestic Product (GDP) Output Gap, an inverted yield curve, severe underperformance of Early Cyclicals, a tentative rollover (downturn) in housing and autos, and a sharp decline in industrial commodity prices (especially industrial metals) have been observed. Coincident measures like the Institute for Supply Management (ISM) surveys show growth in the manufacturing economy at a near standstill, and even lagging indicators like the employment figures have turned weak the past two months.

The situation is a Catch-22. Conventional analysts find the stock market dependent on the economy's fate, but in truth there is considerable co-dependence between the two. Business and Consumer Confidence is already teetering, and another stock market setback could deliver a stunning jolt. If the S&P 500 undercuts its June 3rd low this summer, the economy could fall into recession by year end. The action would reflect the stock market sniffing out a recession, while also helping to cause it in the process. This theory is nothing new; all recessions have unfolded in precisely that manner.

Finally, it's notable that in spite of June's stock market recovery, the Conference Board's Present Situation Index fell below its March low. Imagine what this measure might do if stocks actually decline.

COMPLIANCE WATCH



As of: July 5, 2019
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Source: The Leuthold Group, LLC, *Perception Express*, July 5, 2019, http://leuth.us/stock-market
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Source: This article was excerpted from "Recession Evidence: How Much Is Enough", by Doug Ramsey, CFA, CMT, Chief Investment Officer, The Leuthold Group, LLC, (*Perception Express*, July 5, 2019), http://leuth.us.stock-market

PULSE

STOCK DIVIDEND REINVESTMENT PLANS – DO THEY MAKE SENSE?

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

Dividend reinvestment plans of publicly-traded stocks have been getting a good deal of press over the last 15 to 20 years or so in a number of financial publications. What's not to like about them? Dividends that are paid from a company's stock can be used to purchase additional shares of that dividend paying stock without any commissions being paid. Sometimes, shares may be purchased at a slight discount from current market prices.

It used to be that the only way that investors could participate in these plans was to hold the shares directly, and any reinvestment of dividends would have to be held in account form by the transfer agent of the stock. However, these days, many brokerage firms are now offering dividend reinvestment on more and more corporations that have dividend reinvestment plans. Is this a good deal? From strictly an economic sense, it is. From a practical sense, it may not be. Why?

For taxable investors, dividend reinvestment plans can be a lot of work when calculating the cost basis of a stock when an investor sells shares. Why? Many transfer agents only provide you with a limited number of years (five or six years is most common) of cost basis information on reinvested dividends. If an investor purchased the stocks prior to the oldest records that the transfer agent keeps, they will have to determine the cost basis themselves. This is not always an easy task because the investor will have to account for stock splits, purchases in sales of specific logs of shares and the monotonous calculation of little bits of shares being reinvested at various prices. Even if the investor has the "know how" as to how to calculate this information, they may not have the time nor the inclination.

For a tax exempt investor, such as a pension or profit-sharing plan and/or an IRA account, a dividend reinvestment plan makes more sense. However, once again, it might not be for everyone.

For instance, would any investor really want to keep reinvesting money into a stock whose financial status is deteriorating? The answer is obviously no. Many individuals purchase stock at one point in time and then do not keep up on the economics of the company. In other words, they do not put in the necessary time reviewing the ongoing analysis that is necessary when investing in individual stocks.

Another way to look at this is, would any professional investor such as a mutual fund portfolio manager having the stocks in his or her portfolio enroll in a dividend reinvestment plan? No! That never occurs. A portfolio manager would be looked at as having violated their fiduciary responsibilities. In this day and age, with the term "blue chip" being an outmoded concept, buy and hold does not always work and it may even be worse with a dividend reinvestment plan.

PULSE

9TH INNING, *continued from page 1*

Lou will discuss both the stock market and economic climate as we approach the end of the cyclical bull market. Lou will also discuss common stock selection mistakes as well as researching for the drivers of stock market performance especially prior to a Recession, during a Recession and after a Recession. His presentation will include screening potential candidates for purchase prior to performing in-depth research, identifying opportunities by utilizing relevant ratios and statistics to assist in the decision-making process, how to buy future earnings "on sale", as well as identifying both good and great research resources. The Webcast will also discuss other areas of the stock selection process including dividends, insider trends, buyback programs, trading volume, warning signs, taking defensive measures to protect capital in downturns, taxation strategies and other issues.

To Register: www.legend-financial.com/webcasts

Registration is free. Please feel send along this invitation to relatives, friends, colleagues, etc. to attend.

Questions?

Please call us at (412) 635-9210 or (888) 236-5960. For additional information about Legend and the services it offers, go to www.legend-financial.com.

PULSE

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.