

THE ERECT FUNDS®

The Employee Real Estate Construction Trust Funds

Overview:

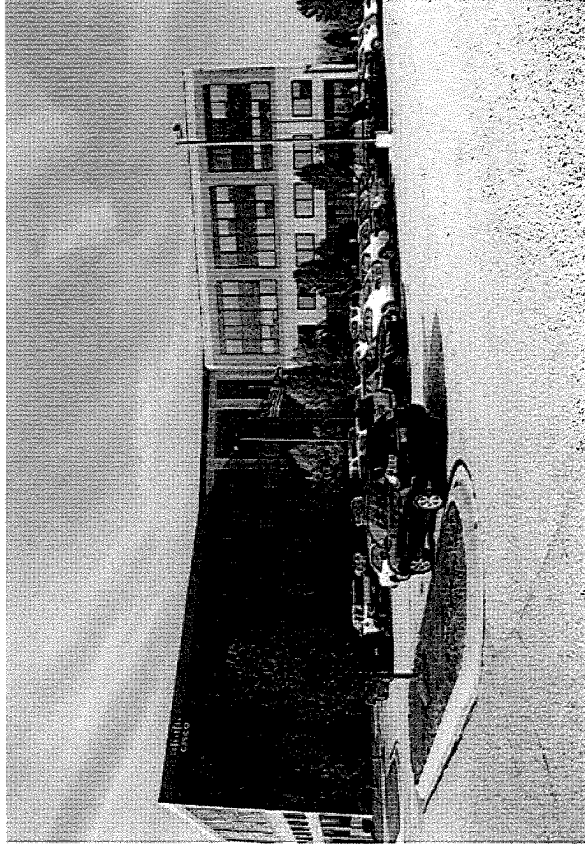
The ERECT Funds are open-ended, collective investment trusts that accept investments from qualified pension and investment plans.

The ERECT Funds provide debt and equity for the development of commercial properties in Ohio, Pennsylvania and West Virginia that are built with union labor.

The ERECT Funds consist of three separate funds with a combined market value of \$161 million:

- ERECT Fund I / Debt
- ERECT Fund II / Equity
- ERECT Co-Participation Fund

Stonegate Center
Richfield, OH



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Mission:

- Deliver competitive returns for pension and investment plans.
- Create jobs for local investors.

Track Record:

- 23 years.
- 72 construction projects.
- \$290,000,000 funded.
- \$145,000,000 repaid and reinvested in new projects.
- \$1,020,000,000 total project costs.
- 7,737,000 work hours created.
- \$380,000,000 construction wages and benefits.



Hampton Inn Hotel
Massillon, OH

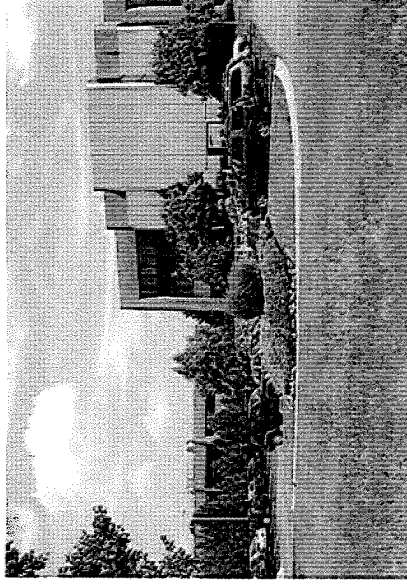
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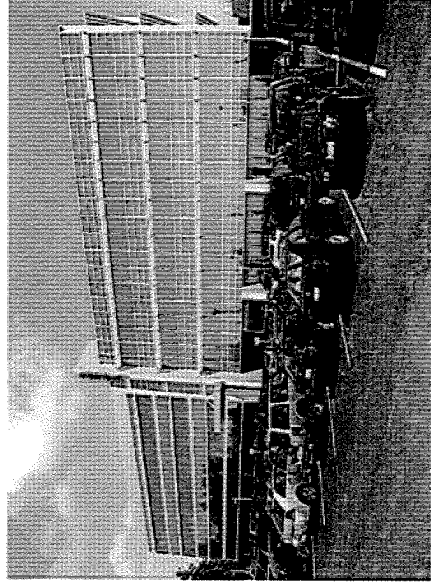
Investors:

- ▶ Ohio Carpenters Pension Fund
- ▶ Ohio Laborers Pension Fund
- ▶ Iron Workers So. Ohio & Vicinity
- ▶ IBEW Local 540 (Massillon)
- ▶ Asbestos Workers Local 2 (PA)
- ▶ Iron Workers of W. PA
- ▶ Plumbers and Pipefitters Local 27 (PA)
- ▶ Carpenters Pension Fund of W. PA
- ▶ Steamfitters Local 449 (PA)
- ▶ IBEW Local 712 (PA)
- ▶ Bricklayers Pension Fund of W. PA
- ▶ Bricklayers Pension Fund W. PA
- ▶ Operating Engineers Local 66 (PA)
- ▶ Building Trades of W. PA
- ▶ Laborers' District Council of W. PA
- ▶ Western PA Electrical Employees

- ▶ Commonwealth of Pennsylvania
- ▶ Allegheny County PA Retirement Fund
- ▶ Beaver County PA Retirement Fund
- ▶ Private corporate investors



Springside Place
Fairlawn, OH



Tower at Highlands
Warrensville Heights, OH

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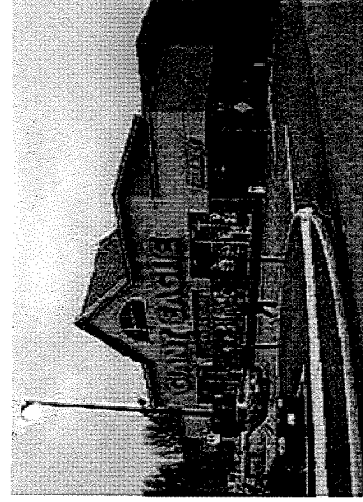
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Management:

- **PenTrust Real Estate Advisory Services, Inc.** (Pittsburgh, PA) has been the investment manager and project underwriter for The ERECT Funds since their inception in 1987.
- **AmeriServ Trust and Financial Services Company** (Johnstown, PA) has been the trustee and fund custodian since 1993.
- **ERECT Fund Advisory Board** – 15 local labor and management representatives review and approve all project funding requests.



Cleveland Business Park
Cleveland, OH



Giant Eagle
Ravenna, OH

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SUMMARY OF ERECT FUND INVESTMENTS IN OHIO							
Project	Location	Total Cost	ERECT Fund Investment	Type of Investment	Est. Construction Wages & Benefits		
1 Giant Eagle Supermarket	Ravenna	\$4,446,473	\$3,000,000	Debt	\$1,200,000		
2 Hampton Inn Hotel	Massillon	\$4,636,400	\$2,550,000	Debt	\$2,318,200		
3 Cleveland Business Park I	Cleveland	\$4,599,000	\$4,175,000	Debt	\$2,135,500		
4 Cleveland Business Park II	Cleveland	\$4,773,000	\$4,325,000	Debt	\$2,135,694		
5 Cleveland Business Park III	Cleveland	\$2,974,194	\$2,400,000	Debt	\$1,334,075		
6 Tower at Highlands Office Bldg	Warrensville Heights	\$11,700,000	\$9,300,000	Debt	\$3,722,421		
7 Springside Center Office Bldgs (2)	Fairlawn	\$12,316,230	\$3,109,266	Equity	\$5,000,000		
8 Stonegate Corporate Center Office Bldg	Richfield	\$15,139,687	\$1,721,400	Equity	\$5,125,833		
	Total	\$60,584,984	\$30,580,666		\$22,971,723		

SUMMARY OF ERECT FUND INVESTORS FROM OHIO						
Investor	Amount Invested	Year of Investment	Current Market Value @ 12/31/10	Change in Value	% Change in Value	Compound Annual Rate of Return
1 Ohio Carpenters Pension Fund	\$7,000,000	1997	\$15,901,903	\$8,901,903	127%	5.87%
2 Ohio Laborers Pension Fund (L 894)	\$5,003,678	2006	*			
3 Iron Workers Southern OH	\$3,003,208	2001	*			
4 IBEW Local 540 (Massillon)	\$1,501,885	2000	*			
Total	\$16,508,771					

* Confidential

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ERECT FUND PERFORMANCE SUMMARY AT DECEMBER 31, 2010

All ERECT Fund returns are net of fees and expenses

	<u>Market Value</u>	<u>One-Year</u>	<u>Three-Year</u>	<u>Five-Year</u>	<u>Ten-Year</u>
ERECT FUND I / DEBT	\$94,566,579	5.59%	3.64%	4.59%	4.94%
Barclay's Mortgage Index		5.37%	6.52%	6.34%	5.89%
ERECT FUND III / EQUITY	\$41,629,009	11.90%	2.23%	3.28%	6.00%
NCREIF Property Index		13.11%	-4.18%	3.51%	7.38%
ERECT CO-PARTICIPATION FUND	\$25,233,492	9.44%	-3.88%	4.22%	5.97%
Blended Index (Barclay's/NCREIF)		9.82%	1.38%	5.48%	6.51%

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