Redfield, Blonsky & Starinsky, LLC

rbcpa.com

2016 Investment Conference

November 15, 2016

RBS Redfield, Blonsky & Starinsky, LLC

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Ronald R. Redfield CPA,PFS started with the firm in **1983** (33 years ago) and became a partner in 1989.

Alan B. Starinsky CPA,PFS became a partner in 1995. Alan is in charge of our accounting and tax division. astarinsky@rbcpa.com

Ron and Alan have worked together for 29 years since 1987.

All of us have dedicated a total of **192 years** so far to RBS. We really do seem to whistle while we work.

(Top L – R) Arlene ’86, Denise ‘96, Jim ‘96, Ron ‘83, Alan ‘87,
Chris ‘84, Donna ‘98, Debbie ‘06

Historically, we typically, but not always, outperformed the stock averages in down years, and underperformed the same averages when they have strong years. Past performance is not necessarily indicative of future results.

$45,237,256 under management as of December 31, 2015.

I manage our own portfolios and our families portfolios in the same manner we manage those of our clients. **I eat my own cooking!**

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I am incredibly cognizant as to our duty to our clients. We have an intense responsibility, and we take that responsibility very seriously. We are stewards of your capital, and will always put your portfolio in front of anything else.

Our interest is in the structure of our clients portfolios, and we will not alter that view in hopes of client satisfaction.

We will not chase returns in an attempt to meet or exceed our benchmarks.

"Value investing works like clockwork, but sometimes your clock has to be very slow." **Joel Greenblatt 10/17/16**

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We practice value investing. We try to find companies or investments that we feel are selling at a price that is below their intrinsic value. We emphasize a long-term approach to investing. We focus on the investment itself and not its short-term stock price performance. Our portfolios are often concentrated and focused on a limited number of investments.

We do not focus a great deal on the day-to-day "noise" in the markets. We attempt to focus on the information that will have a long-term impact on our current investments and potential investments.

Our thesis is based on the assumption that for the majority of the companies we own, their dividends are sustainable and that they are still fairly priced.

Markets will always fluctuate, and corrections will always occur.

RBS Performance Summary

Average Annual Total Returns as of 10/31/16	18Years + 10 months	15 Years	10 Years	5 Years	3 Years	1 Year	YTD (Not Annual-ized)
RBS All returns presented net of fees	**6.82%**	**7.07%**	**2.75%**	**8.48%**	**3.86%**	**1.09%**	**2.57%**
S&P 500	5.91%	6.56%	6.29%	13.55%	8.83%	4.41%	6.77%
Tweedy Brown Value Fund	N/A	5.25%	4.57%	7.91%	1.48%	0.63%	3.79%

Please refer to our Disclosures page

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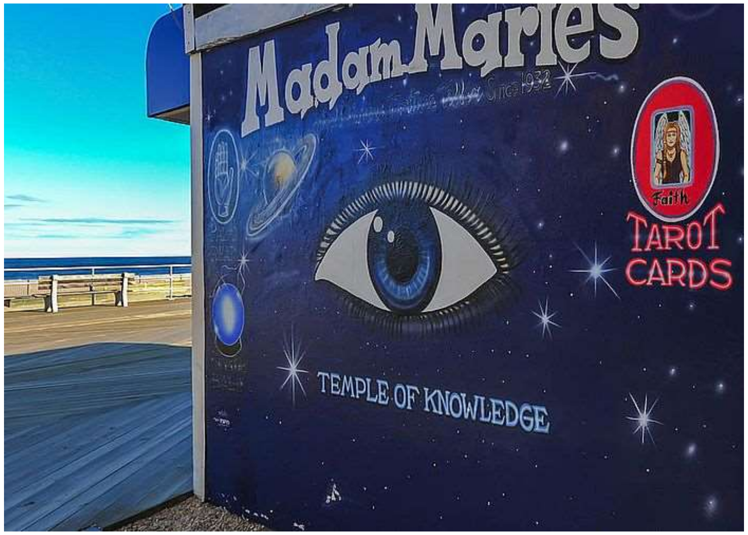
RBS Investment Return Table

Year Ending	RBS – Net of all fees (1)	S&P 500 (2)	Relative Results (1)-(2)
1998	5.00%	28.58%	(23.58)
1999	7.50%	21.04%	(13.54)
2000	11.20%	(9.10%)	20.30
2001	0.10%	(11.89%)	11.99
2002	1.10%	(22.10%)	23.20
2003	52.60%	28.69%	23.91
2004	7.90%	10.88%	(2.98)
2005	7.30%	4.91%	2.39
2006	26.00%	15.79%	10.21
2007	(0.40%)	5.49%	(5.89)
2008	(34.70%)	(37.00%)	2.30
2009	22.10%	26.46%	(4.36)
2010	1.30%	15.06%	(13.76)
2011	0.50%	2.12%	(1.62)
2012	14.10%	15.96%	(1.86)
2013	24.80%	32.22%	(7.42)
2014	11.80%	13.57%	(1.77)
2015	(7.22%)	1.33%	(8.55)
YTD 10/31/16	2.57%	6.77%	(4.20)

Please refer to our Disclosures page

Clients will often ask us to give a market prediction. Our typical answer is that we have no clue what the stock market will do over a short period. Over the short term (short term being 5 years or less), anything can happen. In the book, The Money Game, Adam Smith (George J. W. Goodman) pointed out when J. P. Morgan was asked what the market would do, he said, "It will fluctuate."



“Did you hear the cops finally busted Madame Marie for tellin' fortunes better than they do?”
Bruce Springsteen 1972

The expected dividend yield of our portfolios as of October 31, 2016 is 2.80%.

All rates are listed as of October 31, 2016.

RBS expected dividend yield	5 Year Treasury	10 Year Treasury	30 Year Treasury
2.80%	1.32%	1.85%	2.60%

Historically, we felt most secure when a company's dividend is 2/3rds (66%) of the 5 Year Treasury. Our current expected dividend is **212%** times the 5 Year Treasury, and **151%** times the 10 Year Treasury and **7.7%** times the 30 Year Treasury.

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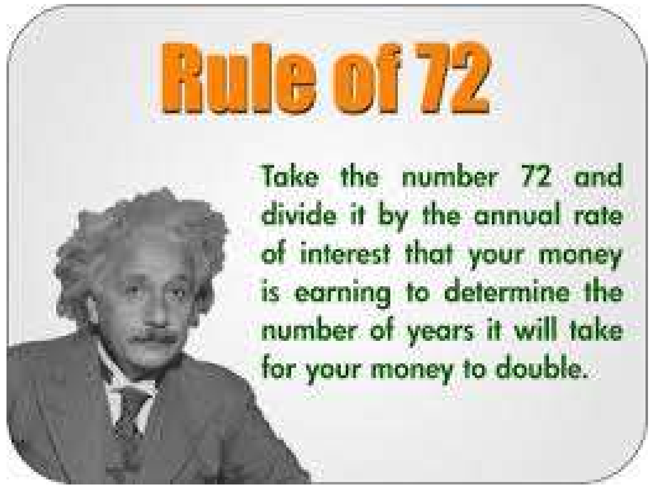

Historically when using the **3 Month US Treasury** rate of 6% as a benchmark, it would take **12 years** to double your money.

The 3 Month Treasury as of November 14th was **0.500%.** Using the rule of 72, It would would take **144 years** to double your money. At last years conference, the rate was 0.113%, or **637 years** to double. At our 2014 conference the rate was 0.013% **of 5,538 years** to double.

"Success comes from curiosity, concentration, perseverance and self-criticism." **Albert Einstein**

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It is still my opinion that bonds as an asset class have been set up for poor returns going forward. This opinion includes all or most bonds including US Treasuries, Municipal Bonds and CDs.

Top Savings Deposit Yields from Barron's

Type	November 14, 2016	November 16, 2015	November 7, 2014	November 15, 2010
Money Market	1.10%	1.10%	1.04%	1.20%
6 Month CD	0.85%	1.05%	0.82%	1.14%
1 Year CD	1.26%	1.30%	1.14%	1.40%
2 ½ Year CD	1.52%	1.50%	1.25%	1.74%
5 Year CD	2.00%	2.45%	2.32%	2.75%

It is important that an investor understands how changes in interest rates, credit quality, and inflation would affect fixed Income investments.

This is a graph of The 3 Month Treasury bill since 1934

This is a graph of The 3 Month Treasury bill since 1953

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Fixed Income Rates as of November 11, 2016

"Interest rates have been at stupid levels, they've been held down... they're like beach balls under water." **Stan Druckenmiller November 2016**

	0-1yr	1-3yr	3-5yr	5-7yr	7-10yr	10-20yr	20+Yr
CDs	0.579	1.038	1.385	1.874	1.909	2.083	---
Agencies	0.337	1.120	1.488	0.895	1.736	2.744	2.963
Corporate (AAA)	0.633	0.884	1.630	2.024	2.531	3.468	4.068
Corporate (AA)	0.596	1.548	2.151	2.384	2.871	3.271	4.240
Corporate (A)	1.061	1.727	2.511	2.886	3.236	4.539	4.736
Corporate (BBB)	1.253	2.483	3.540	4.615	5.348	6.268	6.735
Municipal (AAA)	0.436	0.987	1.336	2.076	2.379	3.256	3.605
Municipal (AA)	0.594	1.372	1.991	2.590	2.915	3.975	4.597
Municipal (A)	0.597	1.354	2.133	2.512	3.609	4.104	4.965
Municipal (BBB)	0.507	1.855	2.467	2.331	3.120	6.136	4.635
U.S. Treasuries	---	---	1.089	---	---	2.283	2.870

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"I love buying into fear, and selling or not owning companies where investor complacency or euphoria exists." **Ronald R. Redfield, November 3, 2015**

The price of Natural Gas has continued it's decade long decline for the last twelve months. Low Natural Gas prices benefit the consumer, but are a drag to earnings on utilities, especially nuclear operators.

Copper is often referred to as "Dr. Copper." It is often looked at as an early economic indicator. It has increased ~20% in the last 30 days (including pre-election). Perhaps investors believe that economic growth prospects are improving internationally.

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10 Largest Holdings as of November 13, 2016

	Company	Symbol	% of Total	Price *	Average Cost
1	Bank of America	BAC	6.87%	$19.02	$12.64
2	Gazprom	OGZPY	6.79%	$4.51	$5.95
3	JP Morgan Chase	JPM	6.52%	$76.69	$42.16
4	Exxon Mobil	XOM	6.29%	$85.67	$84.52
5	Citigroup	C	5.83%	$52.83	$40.92
6	American Intl. Group	AIG	5.25%	$63.32	$42.92
7	PBF Energy	PBF	4.75%	$25.14	$25.05
8	Microsoft Corp.	MSFT	4.60%	$59.02	$27.31
9	Wal-Mart Stores	WMT	4.45%	$71.23	$58.85
10	Public Service	PEG	4.34%	$39.57	$31.70

* = Closing Prices November 11, 2016

Our **10** largest holdings make up **56%** of our entire portfolio.

We currently are **holding more positions than we typically do**. We currently have **34 positions** in our portfolio.

Our **position size is typically based on the conviction** we have in the investment, as well as the relative risk of the holding, along with the current price of the holding.

Ideally, we would like to own less than 15 core positions.

We take a long-term approach to investing. We consider long-term to be in the area of 5 to 10 years, or more. When we purchase equity securities, we typically expect to hold the investment for a long period of time. Often our goal would be to hold security positions permanently. Yet, history has shown us that the goal of permanent holdings has not been achieved.

We attempt to be tax efficient in our portfolios.

If you are an investment client of ours, please **let us know if your CPA would like us to harvest any tax losses or gains**. We can't promise we can do so, but we can certainly evaluate it.

Our Investment Strategy:

1. Search for investments we think will **produce future cash flows and earnings**, and purchase these investments at a price that we think will present us with Returns on Investment which are greater than the prevailing interest rate and inflation. Patience is key for this.

2. Constant research on our company's or our investment thesis.

3. We continue to invest in companies that our research currently considers to be financially strong, able to withstand severe business downturns, pays a dividend, and also buys back their own shares, at a price we consider reasonable. We do have a small portion of investments that are not as financially strong, but have a "story" behind them, and hence our investment.

4. With all of our analysis, we understand that **our thesis is merely a road map**. We constantly look to pierce holes in our thesis, bring in potential negatives and positives, and do our best to have a reasonable understanding of their future operations and cash flows. We adjust our investment if necessary to our ongoing research.

Our goal is to attempt to maximize investment returns, while limiting or avoiding permanent losses.

We **typically have a defensive** nature to our portfolios, and once again we remind investors that we will typically under-perform the S&P 500 during strong years, and typically out-perform the S&P 500 in years where the S&P 500 has not performed well.

Because of **our defensive nature**, I don't think we should be compared to the S&P 500.

"When reading, follow your curiosity. Read things to don't agree with. This contributes to being actively open minded." **Michael Mauboussin**

We attempt to determine the intrinsic value of equities, based on a thorough analysis of the fundamental business factors, the company and industry conditions. We thoroughly read SEC filings, including financial statements, annual reports, company or industry conference calls, investor and analyst meetings, one on one company meetings, industry events and other related filings.

When looking at an investment, we attempt to project and focus on a company's future generation of cash flow and earnings, their balance sheet, and other financial statements and disclosures. We attempt to analyze the quality of their current and future earnings. We attempt to introduce stress-related circumstances to our projections. We also project the amounts that we think could be returned to shareholders via dividends. We determine what we think the future return on investment will be over a mid to long period of time. Typically we use a 5 year to 15 year "road map" in our analysis. Of course this "road map" is constantly changing and revised for changes in conditions. Typically we look to invest in a company when we have confidence in the predictability of their future cash flow stream, and we are comfortable with the price we are paying for this projected future cash flow and earnings stream. At the same time, we constantly look for flaws in our reasoning or thesis. As CPAs, we have an in-depth knowledge in interpreting financial statements and their footnotes. Our extensive research is embedded in our clients' portfolios.

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Some of our current investment themes

- Bond price downward adjustment based on liquidity (buyers may exit and no one to sell to), quality & potentially increasing interest rates. The ability to earn returns accompanied by total safety, does not exist in this interest rate environment. We do not have any fixed income investments in our portfolios.

- We typically are buying or holding companies with strong financial strength, high Return on Assets (ROA's), High Returns on Equity (ROE) and/or low Price to Book Values (P/B), low Price to Earnings Ratios (P/E's), low Price to Cash Flow (P/CF), Low Price to Earnings Growth ratios (PEG's).

- Concern of mass herding to ETF’s and passive investing, which could be leading to inflated asset prices, and potential liquidity concerns, as ETF’s could have liquidity concerns and price corrections in stress scenarios.

- Possible rotation back into Utilities, as prices have lost ~>10% off of their 2016 highs.

- Time and patience is always necessary in value investing.

Please refer to our disclosures page.

Examples of some of our Investment Notes and Thesis:

Our Investments are often held for many years, and are often permanent holdings

We are typically long term buyers and holders, as is evident by **only one elimination** from our portfolios so far this year. **We eliminated our holding in Overstock**, as we had concerns with their business model and management. During the year, we were trimming TASR, Utilities, TWMJF and MSFT. We typically trimmed to reduce our allocation to a desired level. This often will occur with investments if the companies price changes materially.

Yet, long term buy and hold intention, does not mean we put our head in the sand. We are constantly looking for clues where our thesis on ownership becomes disturbed. Typically, other than valuation, we do not see a reason to sell a company we own, but as I mentioned above, these situations do occur.

Warren Buffett's long-time partner Charlie Munger identifies that the most difficult process for a value investor is typically *"doing nothing, or sitting on your ass investing."* Again, **research and learning is constant, but portfolio activity is not.**

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Banks and Financials are 25% of our portfolio allocation 1/2

Net interest margin is at the lowest level in 10 years. I expect interest rates to rise, which would enable net interest margins to go up. This is typically where banks make most of their profit. They borrow cheap and lend with a more expensive rate.

Credit quality of these institutions has been and is expected to remain strong. The capital levels and balance sheets are much stronger than they were before and during the financial crisis.

During the summer, the Government released their stress test results for the large banks. All 3 or our large bank holdings (BAC, C and JPM) performed well in the tests, and both BAC and C, were allowed to increase their dividends and share buy-backs. JPM was already previously allowed such. Both, BAC and C, announced after the stress tests, that they instituted a large buyback and material dividend increases.

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Banks and Financials are 25% of our portfolio allocation 2/2

I think regulators recognize the financial strength of banks and will continue to let them increase the dividends to their shareholders, as well as allow stock repurchases. Regulators remain, and are understandably expected to view the most important function of these institutions is to pay out their depositors or the insurance contracts, as opposed to protecting shareholders.

I continue to think the banks we own to be materially undervalued based on historical metrics, as well as a continued fear of the financial crisis. A few of these historical metrics would be price to book value, and forward price earnings ratios. I also think their dividend yields will continue to increase, as or if the US Government continues to give them leeway to pay the dividends as their financial ratios continue to get stronger.

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I wish we never bought Valeant (VRX)

I made a mistake buying Valeant (VRX) in our portfolios. That position accounted for an approximate realized and unrealized loss of ~ (2.4%). This position was obviously damaging to our portfolio results. I apologize for such a mistake, yet in investing, mistakes will occur.

I continually challenge and look to amend our best ideas. I try to kill an investment. What can go wrong? What situation can alter your thesis?

We invested in Valeant knowing the speculative risk (not the outcome), and accordingly, kept our position sizes relatively low at ~2.50%.

"Perfection will not happen. Mistakes are natural. Don't repeat them. Strive to do your best."
Michael Mauboussin

Bank of America (BAC) November 11, 2016 $19.02

Bank of America is one of the largest financial institutions in the United States and the world. The Price to Book value and forward P/E are low relative to their historic averages. Price to Book is primary reason for owning, accompanied by an expected increase in net interest margin as interest rates start to rise. Thesis is based on continued earnings growth. I expect that dividend increases will continue to occur, as the government continues to relax its stance on Bank of America, via future stress tests. I think the price of all our major financial holdings are still a victim of fear from the not so distant past financial crisis.

Book Value is projected at $24.55 per share, and Tangible Book Value is projected at $17.10 per share. Price to Book is 77%, and Price to Tangible Book is 112%. Prior to the financial crisis Price to Book was often over 2X.

Yield is 1.58% ($0.30). Earnings expected at $1.48 which would give a P/E of 12.85X. Dividend payout ratio expected to be 25% and 26% for F2016 and F2017 respectively. ROE is expected to be 6.5% for F2016 and 6.5% for F2017. ROA is expected to be 0.80% for F2016 and 0.85% for F2017. Projected eps for F2017 is $1.60 which equates to a forward P/E of 11.88X.

Gazprom (OGZPY) November 11, 2016 $4.51

Contrarian play based on the perception of "blood in the streets", and the fear and detest of the masses investing in Russia. Blood in the streets scenario is based on price of oil (depressed),and the Russian geopolitical situation.

We offset that with what I consider to be a cheap stock, and potential resolution of the Geopolitical situation.

On the negative side, Russia taxed Gazprom greater than the past in 2016, and of course that hurt cash flow. Gazprom does not think the tax will be raised again. I think the price to earnings is low enough to absorb this with relative ease. I do not believe that Russia would want to injure the long-term viability of Gazprom in its current form.

I originally projected Gazprom F2015 earnings to be ~$0.75, whereas they were $0.91. Gazprom could be free cash flow negative in 2016-2018.

We project earnings to be ~$1.00 for F2016, and hence the Price/Earnings ratio is 4.22X. We project Book Value for F2015 to be ~$12 per share, and hence price/Book value is a low 0.38X. Return on Equity (ROE) is projected to be 9%. The projected ROE is low, but I believe that is reflected in the industry depression, and the low price to book value. We project a dividend of $0.24 generates a dividend yield of ~5.3%. Gazprom carries a debt/equity ratio of < 19.1%, which is fairly strong. Interest coverage ratio is strong. Dagon ratings agency continues to give Gazprom AAA ratings. Standard and Poor's rates the credit BB+ Stable, and Moody's rates it Ba1, outlook negative, both being considered non-investment grade.

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JP Morgan Chase (JPM) November 11, 2016 $76.69

One of the world's largest and most respected Financial Services organizations. Jamie Dimon is the CEO. He is widely respected, and he seems to "tell it like it is." The Price to Book value and P/E are low relative to their historic averages. Prior to the financial crisis, JPM traded at 2 to 3 times tangible book. Price to Book is primary reason for owning, accompanied by an expected increase in net interest margin as interest rates start to rise. Thesis is based on continued earnings growth. I expect that dividend increases will continue to occur, as the government continues to relax its stance on JP Morgan Chase via future stress tests. I think the price of all our major financial holdings are still a victim of fear from the not so distant past financial crisis.

Yield is 2.50% ($1.92). Earnings expected at $5.95 which would give a P/E of 12.89X. Dividend payout ratio expected to be 35% and 36% for F2016 and F2017 respectively. ROE is expected to be 9.5% for F2016 and 9.0% for F2017. ROA is expected to be 0.90% for F2016 and 0.90% for F2017. Projected eps for F2017 is $6.15 which equates to a forward P/E of 12.46X.

Book Value is projected at $64.80 per share, and Tangible Book Value is projected at $49.95 per share. Price to Book is 85%, and Price to Tangible Book is 154%. Prior to the financial crisis Price to Book was often over 2X.

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Exxon Mobil(XOM) November 11, 2016 $85.67

Exxon is a diversified energy company which produces not just oil, but also is the largest natural gas producer in the USA. They explore, develop, refine, distribute, drill and are one of the largest petrochemical suppliers in the world. They have successfully done this for over 100 years. They have credit ratings of AA+ from Standard and Poor's, and AAA from Moody's. Keep in mind that natural gas prices continue to be at depression like levels for a decade. The price of WTI Crude is at $43.41, which is also a depression like price.

Exxon is the industry world leader, and we are waiting out the storm which first occurred with natural gas, and has been occurring with oil. The earnings ratios are certainly on the elevated side, and the Return on Equity has also been in decline. One of the ratings agencies downgraded Exxon last year. Our thesis, although a long-term holding, is currently a work in progress, and when liquidations are needed, this is a current candidate.

Yield is 3.57% ($2.92). Earnings expected at $2.35 which would give a P/E of 35.54X. The dividend payout ratio expected to be 125% and 77% for F2016 and F2017 respectively. ROE is expected to be 6.0% for F2016 and 9.5% for F2017. Projected eps for F2017 is $3.95 which equates to a forward P/E of 21.14X.

Citigroup (C) November 11, 2016 $52.83

Citigroup is one of the largest financial institutions in the United States and the world. The Price to Book value and forward P/E are low relative to their historic averages. Historically, Citi has often been priced in the past at 1.5X Book Value. Price to Book is primary reason for owning, accompanied by an expected increase in net interest margin as interest rates start to rise. Thesis is based on continued earnings growth. I expect that dividend increases will continue to occur, as the government continues to relax its stance on Citigroup via future stress tests. I think the price of all our major financial holdings are still a victim of fear from the not so distant past financial crisis.

Basic thesis is an international financial organization which is currently trading at 71% of Book Value and 77% of Tangible Book Value. Tangible book value on September 30, 2016 is $64.71, and book value is $74.49. Prior to the financial crisis Price to Book was often over 1.5X. This would equate to a share price of $112.50.

Yield is 1.20% ($0.64). Earnings expected at $4.65 which would give a P/E of 11.36X. The dividend payout ratio expected to be 9% and 12% for F2016 and F2017 respectively. ROE is expected to be 6.0% for F2016 and 6.5% for F2017. ROA is expected to be 0.75% for F2016 and 0.80% for F2017. Projected eps for F2017 is $5.25 which equates to a forward P/E of 10.25X.

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American International Group (AIG) November 11, 2016 $63.32

Price to Book is primary reason for owning, accompanied by an expected increase in investment returns, as interest rates start to rise. I think that book value will continue to grow over the long-term. Thesis is based on continued earnings growth. I expect that dividend increases will continue to occur. I think the price of all our major financial holdings are still a victim of fear from the not so distant past financial crisis. I think a price to book of < 100% would be a fine purchase point, and perhaps considering pairing down at 2X book ($180).

The primary reasons for owning AIG is a quality organization being priced materially less than book value. From 1985 – 1996 AIG was priced between 1.5X to 2.5X BVPS. This increased to an occasional 3X BVPS from 1999 to 2002, and was typically at 1.5X to 2.5X from 2002 to 2008. I project BVPS of $90 in F2016, and $101 in F2017, which at the current price of $63.32 would be P/BVPS of 70% currently, and 63% in F2017.

Yield is 2.02% ($1.28). Earnings expected at $4.00 which would give a P/E of 15.83X. The dividend payout ratio was 11% in F2014, and 36% in F2015. Dividend payout ratio expected to be 28% and 22% for F2016 and F2017 respectively. ROE is expected to be 3.5% for F2016 and 5.0% for F2017. Projected eps for F2017 is $5.80 which equates to a forward P/E of 10.91X.

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PBF Energy (PBF) November 11, 2016 $25.14

PBF Energy is one of the largest independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants and other petroleum products in the United States. PBF Energy's refineries are in California, Delaware, Louisiana, New Jersey and Ohio.

Yield is 4.77% ($1.20). Earnings expected at $2.10 for 2016, which would give a P/E of 11.91X. The dividend payout ratio expected to be 57% and 41% for F2016 and F2017 respectively. ROE is expected to be 11.5% for F2016 and 13.50% for F2017. Projected eps for F2017 is $5.15 which equates to a forward P/E of 4.88X.

The forward P/E is rather low at 5X. They have a debt to capitalization ratio of 52%.

In our last conference, I had projected PBF to earn $4.25 in 2016. I am now projecting 2016 earnings of $2.10. As I mentioned previously, earnings could be lumpy based on oil prices, demand and costs of refining. Another risk is the potential for overpaying for assets. They made two large acquisitions of Torrance, CA and Chalmette, LA. *"We remain confident in the earnings potential of Torrance and Chalmette and believe that these two assets will be our strongest performers in 2017."*

Baupost Group, led by Seth Klarman, owns approximately 15.72M shares, or 16% of PBF, as of September 30, 2016.

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Microsoft (MSFT) November 11, 2016 $59.02

Yield is 2.64% ($1.56). Earnings expected at $3.00 which would give a P/E of 19.67X. Dividend payout ratio has averaged 32.2% for the last 10 years. The payout ratio was 45% in F2015, and 49% in F2016. Dividend payout ratio expected to be 51% for F2017. ROE has averaged 35.45% for the last 10 years. ROE was 27.3% in F2015, 31.0% in F2016, and is expected to be 34.5% for F2017. Average P/E for the last 10 years has been 14.30 X. Projected eps for F2018 is $3.15 which equates to a forward P/E of 18.74X.

Microsoft has a AAA balance sheet. They have $17.54 per share of cash as of September 30, 2016. Free Cash Flow and earnings are both of high quality, and I believe both to be stable at a minimum. P/E ratio is getting high at 19.67X. The P/E was lower previously, yet the P/E is still well below its ROE.

Microsoft is gaining traction as a cloud provider with the Azure platform. Azure was far behind the industry leader Amazon, but is growing at a rate of > 100% per quarter, which is about double Amazon's AWS' revenue growth. Some data sources have projected that Azure has overtaken AWS as the leading cloud provider.

Morningstar credit rating is AAA with a debt to assets ratio of 21.46%. Standard and Poor's credit rating is 'AAA' Outlook Stable (9/22/08). Moody's credit rating is 'Aaa' Outlook Negative (7/25/16).

Microsoft has been buying back their shares consistently since 2004, when they had 10.9B shares. They now have shares outstanding of 7.8B.

Wal-Mart Stores(WMT) November 11, 2016 $71.23

"Globally nearly 260 million customers shop with us each week in stores, clubs and online." **Doug McMillon - President & CEO**

Wal-Mart is the worlds' largest retailer.

Yield is 2.81% ($2.00). F2017 earnings expected at $4.25 hence the P/E of 16.76X. Dividend pay-out has averaged 32.2% for the last 10 years. The payout ratio was 38% in F2015, and 43% in F2016. Dividend payout ratio expected to be 46% and 45% for F2017 and F2018 respectively. ROE has averaged 20.67% for the last 10 years. ROE is expected to be 16.5% for F2017 and 16.0% for F2018. Average P/E for the last 10 years has been 14.58X. Projected eps for F2018 is $4.35 which equates to a forward P/E of 16.37X.

The company recently announced the planned purchase of Jet.com for $3B. Wal-Mart seems to be trying to compete with Amazon. Wal-Mart has been trying this for years, and so far, the attempt has been unsuccessful. The company announced a material spending initiative to clean up the stores, increase customer satisfaction, improve logistics, as well as a focus on ecommerce. Earnings for F2018 and F2019 might have reduced expected growth because of these spending and investment initiatives. Wal-Mart seems to be experiencing fruits of their labor via positive store comps and traffic, and higher customer experience ratings.

Morningstar Credit Rating is "AA" with debt/assets of 24.0%. S&P Credit rating is AA outlook stable, Moody's Aa2.

Public Service Enterprise Group (PEG) November 11, 2016($39.57)

Public Service Enterprise Group is a holding company which is a regulated utility, an unregulated power generator, a major supplier in the Northeast and Mid-Atlantic regions, and has over $1B of investments in renewable energy.

Yield is 4.14% ($1.64). Earnings expected at $2.75 for 2016 (we are still projecting less than guidance), which would give a P/E of 14.38X. Dividend payout has averaged 49.7% for the last 10 years. The payout ratio was 49% in F2014, and 49% in F2015. Dividend payout ratio expected to be 59% and 59% for F2016 and F2017 respectively. ROE has averaged 14.73% for the last 10 years. ROE is expected to be 10.5% for F2016 and 11.0% for F2017. Average P/E for the last 10 years has been 13.00X. Projected eps for F2017 is $2.85 which equates to a forward P/E of 13.88X.

In the 3rd quarter of 2016, Management tightened its guidance range to $2.80-$2.95, in line with 2015 full-year earnings. This is a mid-point of $2.88 for F2016. We have been modeling slightly less at $2.60. Management indicated that 3rd quarter earnings, included the hottest summer on record in 37 years, but was not enough to offset the lack of a cold winter in 2015/16.

Morningstar credit rating was BBB+, and is now blank, with debt/equity of 27.74%. The ratios have improved, but Morningstar paired back on the company's they are rating for debt. S&P Credit rating is BBB+ (4/23/13), Outlook Stable (5/5/15), Moody's raised to 'Baa2 Positive' (9/9/15).

"PSEG has the highest fixed-charge coverage of any company we cover in the Electric Utility Industry." **Value Line August 2016**

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Frontier Corp. (FTR) November 11, 2016 $3.18

"Frontier has an attractive valuation coupled with challenging fundamentals." **S&P Capital 11/2/16**

Frontier is a speculative investment, due to the high debt load, bonds that are performing poorly, less than expected integration of their recent purchase of (CTF) Verizon's California, Texas and Florida wireline, broadband and video assets. Yet, they generate operational cash flow, even with the dividend.

The main concern of investors and analysts was the lack of revenue growth, revenue loss, and lost subscribers. FTR claims the issue is resolved, and hinted that there should be no need for a dividend cut, and they claim to have an intense focus on reducing leverage. FTR claims that the cause of the revenue decreases was CTF Verizon integrations. The integration challenges are persistent. FTR claims the CTF broadband net adds improved ~25% Q/Q, and decline was driven by legacy markets. I am taking FTR at their word, that revenue is improving, and I am expecting positive changes in the near-term earnings reports. I would not be surprised to see the dividend cut or eliminated, as new CFO could in theory clean the slate. If this were to occur, the stock price might drop, and based on the circumstances we might be buyers of the stock.

Bonds are not performing well. There has been deterioration since August 2016, but at similar levels to last December. One can purchase a 5 year bond yielding 8%, and a 10 year bond yielding 11%. This is something I try to monitor closely.

Yield is 13.21% ($0.42). 2016 earnings expected at a loss of ($0.40) which would give a P/E of NMF. Cash flow is higher than earnings. We are projecting Free Cash Flow of $0.13 for F2016, and $0.30 for F2017. ROE has averaged 15.30% for the last 10 years. ROE was real lumpy during those years, with a high of 35ish in 2008 and 2009, and a low of <6 since 2010. ROE is expected to be NMF% for F2016 and NMF% for F2017. Free cash flow yield is expected to be 4% for F2016, and 9.4% for F2017.

"Frontier Communications posted ugly third-quarter earnings, as the Verizon transition and integration efforts resulted in steep customer losses. We expect these issues will prove transitory, but the firm clearly has a lot to prove over the next several quarters. In the meantime, leverage continues to tick higher. We may reduce our fair value estimate modestly, but we believe Frontier shares are undervalued. Financial leverage creates a high degree of uncertainty, however, despite what we view as a narrow-moat business."
Morningstar 11/2/16

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Books I have read since October 2015

Flags of our fathers	Bradley, James	2006	13-Nov-16	
"All I Want to Know is Where I'm Going to Die, So I'll Never Go There" - Buffett and Munger	Bevelin, Peter	2016	13-Nov-16	
Naked	Sedaris, David	1997	12-Nov-16	7
One Flew Over The Cuckoo's Nest	Kesey, Ken	1963	7-Nov-16	10
Romeo and Juliet	Shakespeare, William	1600	20-Oct-16	10
Manlobbi's Descent	Cochrane, Julian	2016	18-Oct-16	8
Born To Run	Springsteen, Bruce	2016	10-Oct-16	8
Ringworld	Niven, Larry	1985	15-Sep-16	8
Behind the Scenes or, Thirty years a slave, and Four Years in the White House	Keckley, Elizabeth	1868	11-Sep-16	9
Common Sense	Paine, Thomas	1737	3-Sep-16	10
Demographic Cliff, The	Dent, Harry S. Jr.	2014	1-Sep-16	5
War and Peace	Tolstoy, Leo	1869	31-Aug-16	10
End of Diabetes, The	Fuhrman, Joel	2012	31-Aug-16	8
As a Man Thinketh	Allen, James	1903	28-Aug-16	8
Little Book That Builds Wealth: The Knockout Formula for Finding Great Investments, The	Dorsey, Pat	2008	25-Aug-16	8
Dianetics, The Modern Science of Mental Health	Hubbard, LRon	2007	9-Aug-16	1
Dianetics, Original Thesis	Hubbard, LRon	2007	28-Jul-16	1
Invention of Russia, The	Ostrovsky, Arkady	2016	25-Jul-16	9
Dubliners Audio Book (Parts 1 and 2)	Joyce, James	1917	16-Jul-16	5
One Child: The Story of China's Most Radical Experiment	Fong, Mei	2016	7-Jul-16	8
The Road To Serfdom	Hayek, Friedrich A.	1944	16-Jun-16	9
Pride and Prejudice (unabridged audio)	Austen, Jane	2013	9-Jun-16	3
Ship of Fools	O'Toole, Fintan	2010	24-Mar-16	8
Historical Jesus - The Great Courses	Ehrman, Bart	?	22-Feb-16	10
Darwin's Ghosts - The Secret History of Evolution	Stott, Rebecca	2012	1-Feb-16	7
In The Garden of Beasts	Larson, Erik	2011	8-Jan-16	9
Weed the People	Barcott, Bruce	2015	1-Dec-15	7
Pussy Riot - A punk Prayer (Documentary film on anti Russian Punk Group)	Pussy Riot	2013	1-Dec-15	10
Winter Is Coming	Kasparov, Garry	2015	30-Nov-15	6
Courage To Act, The	Bernanke, Ben	2015	19-Nov-15	6
Nothing To Envy	Demick, Barbara	2010	18-Nov-15	10
Young Stalin	Montefiore, Simon Seba	2008	28-Oct-15	9
New Tsar : The Rise and Reign of Vladimir Putin	Myers, Steven	2015	27-Oct-15	10
Stalin, A Biography	Service, Robert	2004	10-Oct-15	9
Putin's Russia	Various	2015	7-Oct-15	6.5

"Read 500 pages every day, that's how knowledge works. It builds up, like compound interest." **Warren Buffett**

The following pages are not related to this conference, but I thought they would be a good future reference tool.

Please read the disclosures on the last 3 pages!

Quotes and thoughts I have collected over the years.

Blurb from 1980 *"The recent crash in the bond market- which compared to a 50% drop in the DJIA in a couple of weeks."* **Value Line 3/28/1980**

"If you are not willing to own a stock for 10 years, do not even think about owning it for 10 minutes." **Warren Buffett**

"You make most of your money in a bear market, you just don't realize it at the time." **Shelby Cullom Davis**

"If you expect to continue to purchase stocks throughout your life, you should welcome price declines as a way to add stocks more cheaply to your portfolio." **Warren Buffett**

"Invest for the long haul. Don't be too greedy and don't get too scared." **Shelby Cullom Davis**

"In the short run the market is a voting machine. In the long run it is a weighing machine." **Benjamin Graham**

Why long-term investing? 1st 5 years, Tom Landry of the Cowboys had losing seasons. He built a foundation. Long-term patience was crucial.

“Value investing requires time, competence and discipline. It never ends. The analysis always evolves.” **Ronald R. Redfield**

"Learn by your mistakes. Treat past losses as an educational sunk cost". **Ronald R. Redfield**

Great investor, John Templeton always carried reading materials. He claims the short time spent reading adds up quickly. I was intrigued to read this, as I do the same. I am always with my Kindle or a book.

“A market downturn is the true test of an investment philosophy.” **Seth Klarman**

"We will be candid in our reporting to you, emphasizing the pluses and minuses important in appraising business value. Our guideline is to tell you the business facts that we would want to know if our positions were reversed. We owe you no less.” **Warren Buffett**

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“Don't buy hype. Ignore trading even if it is advice from a "guru." Always look at fundamentals, presentation and valuation. Project forward.” **Ronald Redfield, October 2014**

"It’s waiting that helps you as an investor, and a lot of people just can’t stand to wait,” **Charlie Munger 9/14**

"If you just keep thinking and reading, you don't have to work." **Charlie Munger 9/14**

“Work hard, work smart, ponder, reflect, reason, accept and expect mistakes.” **Ronald Redfield, June 2013**

"The investors chief problem and even his worst enemy is likely to be himself." **Benjamin Graham**

"You don't get many great opportunities in a lifetime....Don't be too timid when you really have a cinch." **Charles Munger 2/6/13**

"I don't really look at the stock market. I look at businesses and forget the stock market." **Charles Brandes on Lessons from Ben Graham**

"Value investors, during 1974/75 did quite well. Not very large, but quite satisfactory. This could be the same for future." **Charles Brandes**

"When you buy equities during periods of maximum pessimism, you have always done well ('70,74,82,90 +91)" **Charles Brandes**

March 1941, stocks sold at 6X earnings, 5%+ dividends and bonds paid interest of 2%. Dec. 1941, stocks sold at 5X earnings, >10% dividends

Short term predictions do not come true. Competent analysis with a margin of safety is the key. Patience and liquidity. Avoid forced selling.

Most of the permanent losses during the great depression were caused by speculation and inability to weather the storm (need of capital).

"For those properly prepared in advance, a bear market in stocks is not a calamity, but an opportunity." **John Templeton, May 1962**

"An investor can seek safety by seeking bargains." **John Templeton, July 1949**

"Where is the outlook most miserable?" **John Templeton, January 1995**

“Never underestimate the power of doing nothing.” **Winnie-the-Pooh.** Investing should be like watching paint dry and grass grow. This means, you need not trade, one can sit on a portfolio if thesis and such have not changed.

"The best chapter ever written in describing how the world works in markets is chapter 12 of "The General Theory" by Keynes." **Warren Buffett**

"Berkshire stock has gone down 50% four times since I owned it." **Warren Buffett 3/1/10**

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Important Disclosures

1. Redfield, Blonsky & Starinsky, LLC (RBS), only transacts business in states where it is properly registered, or excluded or exempted from registration requirements.

2. Past performance assumes reinvestment of dividends and other distributions and may not be indicative of future results. Therefore, no current or prospective client should assume that the future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended and/or purchased by adviser), or product made reference to directly or indirectly in this presentation or on our website, or indirectly via a link to any third-party website, will be profitable or equal to corresponding indicated performance levels. The investment return and principal value of an investment will fluctuate and, when redeemed, may be worth more or less than their original cost.

3. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. No client or prospective client should assume that information presented is a substitute for personalized individual advice from the adviser or any other investment professional.

4. Historical performance results for investment indexes, such as the S&P 500, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results of the S&P 500 Index. Whenever RBS performance is referred to, results have been reduced by all fees, including RBS management fee.

Important Disclosures (continued)

5. Returns for the RBS portfolios have been calculated using actual time-weighted returns obtained from all accounts over the time periods indicated. All RBS returns assume the reinvestment of dividends and are shown net of the investment management fees and all other expenses. Please see our form ADV for a full fee disclosure. Actual individual account performance may be materially different from our composite results.

6. RBS files an annual form ADV, which includes an easy to read brochure. Form ADV is a valuable read for anyone interested in learning more about RBS. Additional information about Redfield, Blonsky & Starinsky, LLC is also available on the SEC's website at www.adviserinfo.sec.gov . The searchable IARD/CRD number for Redfield, Blonsky & Starinsky, LLC is 128714.

7. The S&P 500 Index is a widely recognized, unmanaged index of 500 of the largest companies in the United States as measured by market capitalization. The S&P 500 Index performance assumes reinvestment of all dividends and distributions and does not reflect any charges for investment management fees or transaction expenses, nor does the Index reflect any effects of taxes, fees or other types of charges and expenses. The S&P 500 Index is one of many indices and is not necessarily the most appropriate index when comparing performance results.

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