REDFIELD, BLONSKY & STARINSKY, LLC

Investment Management Division

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January 6, 2017

Dear Client and/or Friend,

We wish all of you a happy and healthy new year!

We have enclosed our portfolio reports for the year ended 2016. All portfolios are different; hence your results may differ from our published returns. You can view our annual presentation at this link http://rbcpa.com/20161231_Investor_Presentation.pdf .

RBS Performance Summary

Average Annual Total Returns as of 12/31/16	**19 Years**	**15 Years**	**10 Years**	**5 Years**	**3 Years**	**1 Year**
RBS All returns presented net of fees	7.41%	7.82%	3.05%	10.78%	5.47%	13.04%
S&P 500	6.14%	6.27%	6.47%	14.72%	8.78%	11.82%
Vanguard Balanced Index Fund (VBINX)	6.20%	6.10%	6.00%	9.40%	6.00%	8.00%
Tweedy Brown Value Fund	N/A	5.11%	4.89%	8.86%	2.58%	9.69%

This is a link to our notes from our investment conference, which we presented on November 15, 2016. This document has a lot of information, including reviews of 10 different companies, our strategies, history and more. http://rbcpa.com/RBS_Investment_Conference_Presentation_20161115.pdf

The following are some quick thoughts of mine:

1. Under no circumstances will we ever chase returns. We will always do what we think is best for our clients' portfolios, and will not adjust that to try and enhance returns. My interest is solely in the optimal structure of our portfolios.

2. I do think value investing is, and has been out of favor for several years now. One could look at the performance of Tweedy, Browne Value Fund as a proxy for value investing being out of favor. I create the table above internally every month. If you would ever like a copy, please let us know.

3. I am concerned of potential mass herding to ETFs via passive investing. I think this is leading to inflated asset prices, and potential liquidity concerns for ETFs. I think these liquidity issues could have severe price corrections in stress scenarios. A scenario such as this could be a buying opportunity for specific companies which may have been affected.

4. Bonds have been in a 30 year plus bull market, and I would not be surprised to see that invert to a prolonged severe bear market. I think bond prices could have a material downward adjustment based on lack of liquidity (buyers having no one to sell to), quality concerns and potentially increasing interest rates. The ability to earn returns which are greater than the 5-year Treasury rate (1.88% on January 5, 2017) or a 5-year CD (~2.25%), accompanied by total safety, does not exist in this interest rate environment.

5. I continue to be concerned with what I consider to be low interest rates. We are still not investing in any fixed income in our portfolios. As our clients know, we have used the dividends of utilities as a fixed income alternative. The current expected dividend of our utilities is 3.6%. Of course, one cannot compare the safety of investments in utilities to the safety of quality fixed-income investments. If one is looking for pure safety, they should be looking at Certificates of Deposit and U.S. Treasury bonds, both with shorter-term maturities.

6. As I have often mentioned in the past, we are only long-term oriented. Our general thesis assumes that for most of the companies we own, their dividends are sustainable and that they are still fairly priced. Markets will fluctuate, and corrections will occur. As you know, we do not believe in timing of investments. I am always mindful of our allocations and investment selections. If I think a specific investment should be reduced or increased, I will act accordingly.

7. I expect Utilities (~17% allocation), Power and Energy (~25% allocation), and Financial Services (~28 % allocation) will remain a staple in our portfolios. Should a material correction occur with Utilities or Financial Services, I could very well be a further buyer of specific companies in these sectors.

8. I continue to find the companies in the financial sector we own to be materially undervalued based on historical metrics. These metrics include price to book value, and forward price earnings ratios. I also think their dividend yields will continue to increase as the US Government gives them leeway to increase their dividends as their financial ratios continue to get stronger.

9. The expected dividend yield for a typical portfolio is 2.7%. This yield is approximately 14% higher than the 10-year Treasury, which was 2.37% on January 5, 2017. I have been writing about this for quite a while now, and although this spread has tightened, it is still a classic sign of undervaluation. Historically, I find the most comfort in investing when dividend yields are 67% or greater of 5 or10-year Treasuries.

10. Time and patience is always necessary in value investing.

This is a table of our ten largest holdings as of December 31, 2016:

	Company	Symbol	% of Total	Price	Average Cost
1	Bank of America	BAC	7.24%	$22.10	$12.71
2	Gazprom	OGZPY	6.85%	$5.09	$5.85
3	JP Morgan Chase	JPM	6.43%	$86.29	$42.18
4	Exxon Mobil	XOM	6.06%	$90.26	$84.56
5	Citigroup	C	6.05%	$59.43	$40.97
6	American Intl. Group	AIG	4.98%	$65.31	$43.05
7	PBF Energy	PBF	4.85%	$27.88	$25.05
8	Public Service	PEG	4.47%	$43.88	$31.69
9	Microsoft Corp.	MSFT	4.45%	$62.14	$27.33
10	Wal-Mart Stores	WMT	3.98%	$69.12	$58.79

The 5 largest positions accounted for 32.63% of our portfolio on December 31, 2016.
The 10 largest positions accounted for 55.36% of our portfolio on December 31, 2016.

This is a table of our ten largest gains in positions during 2016:

	Company	Symbol	Price	Average Cost	% Gain in 2016
1	Canopy Growth	TWMJF	$6.82	$1.32	250.50%
2	Sherritt International	SHERF	$0.97	$2.56	84.90%
3	Intrawest Resorts	SNOW	$17.85	$8.47	84.14%
4	Gazprom	OGZPY	$5.09	$5.85	47.50%
5	Brunswick Bancorp.	BRBW	$7.70	$5.37	47.20%
6	Taser International	TASR	$24.24	$18.18	41.00%
7	Chevron	CVX	$117.70	$97.53	38.50%
8	JP Morgan Chase	JPM	$86.29	$42.18	35.10%
9	Exelon	EXC	$35.49	$33.32	33.90%
10	Bank of America	BAC	$22.10	$12.71	33.30%

These 10 positions accounted for 33.7% of our portfolio on December 31, 2016.

This is a table of our five largest losing positions during 2016:

	Company	Symbol	Price	Average Cost	%Loss in 2016
1	Valeant Pharma.	VRX	$14.52	$72.83	(84.90%)
2	First Solar	FSLR	$32.09	$50.60	(51.00%)
3	Inovalon	INOV	$10.30	$11.85	(25.30%)
4	PBF Energy	PBF	$27.88	$25.05	(19.90%)
5	Frontier Corp.	FTR	$3.38	$4.29	(17.10%)

These 5 positions accounted for 12.40% of our portfolio on December 31, 2016.

Please let me know if you have any questions, comments, or concerns. I would be happy to sit with you and discuss our investment philosophies, portfolios, and our views on the world as it pertains to your net worth. Let me know if that interests you, and of course it is always an open offer.

My email is rredfield@rbcpa.com.

You can also follow me on Twitter www.twitter.com/rbco, as well as on Facebook www.facebook.com/RedfieldBlonsky.

Respectfully submitted,

REDFIELD, BLONSKY & STARINSKY, LLC

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Partner

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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.

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.

Disclaimer:

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