



rbcpa.com

2015 Investment Conference

November 17, 2015

RBS REDFIELD,
BLONSKY &
STARINSKY, LLC

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Ronald R. Redfield CPA,PFS started with the firm in **1983** (32 years ago) and became a partner in 1989.

The Prime Rate was 11% in 1983, down from 21.50% in December of 1980. The prime rate is currently 3.25%.

The Dow Jones Average hit an **all time high of 1270** that year. The Dow closed at 17,245 on November 13, 2015.

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 28 years since 1987.



(Top L – R) Donna '98, Ron '83, Arlene '86 , Debbie '06, Alan '87, Chris '84 and Reuben.
Not in picture ;- (Jim '96 and Denise '96



Jim and Denise are not missing from this picture.





All of us have dedicated a total of 184 years so far to RBS. We really do seem to whistle while we work.



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.

\$52,656,180 under management as of December 31, 2014.

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





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.



RBS Performance Summary

Average Annual Total Returns as of 10/31/15	17 Years + 10 months	15 Years	10 Years	5 Years	3 Years	1 Year	YTD (Not Annual- ized)
RBS All returns presented net of fees	7.15%	7.27%	4.85%	9.25%	10.15%	(5.04)%	(5.85)%
S&P 500	5.99%	3.97%	7.50%	14.27%	16.27%	5.13%	2.96%
Tweedy Brown Value Fund	N/A	5.00%	5.66%	8.02%	8.73%	(2.75)%	(2.43)%

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."



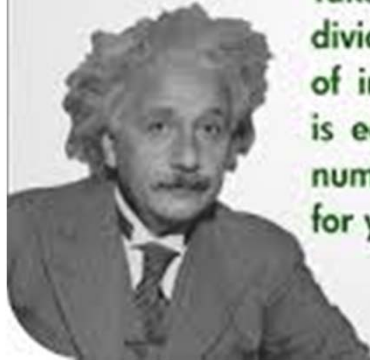


The expected dividend yield of our portfolios as of October 31, 2015 is 3.10%.

RBS expected dividend yield as of October 31, 2015	5 Year Treasury	10 Year Treasury	30 Year Treasury
3.10%	1.63%	2.24%	3.08%

Historically, we felt most secure when a company's dividend is 2/3rds (66%) of the 5 Year Treasury. Our current expected dividend is **190%** of the 5 Year Treasury, and **138%** of the 10 Year Treasury and **nearly identical** to the **30 Year** Treasury.

Rule of 72



Take the number 72 and divide it by the annual rate of interest that your money is earning to determine the number of years it will take for your money to double.

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 is **now 0.113%**. Using the rule of 72, It would would take **637 years** to double your money. Just a few weeks back the rate was 0.01%, which would take 7200 years to double. For a few days in October 2015, the rate was 0.00%. At our conference last November, the rate was 0.013%, which would take 5,538 years to double.

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 16, 2015	November 7, 2014	November 15, 2010
Money Market	1.10%	1.04%	1.20%
6 Month CD	1.05%	0.82%	1.14%
1 Year CD	1.30%	1.14%	1.40%
2 ½ Year CD	1.50%	1.25%	1.74%
5 Year CD	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.

3-Month Treasury Bill: Secondary Market Rate

2015-10: **0.02** Percent (+ see more)

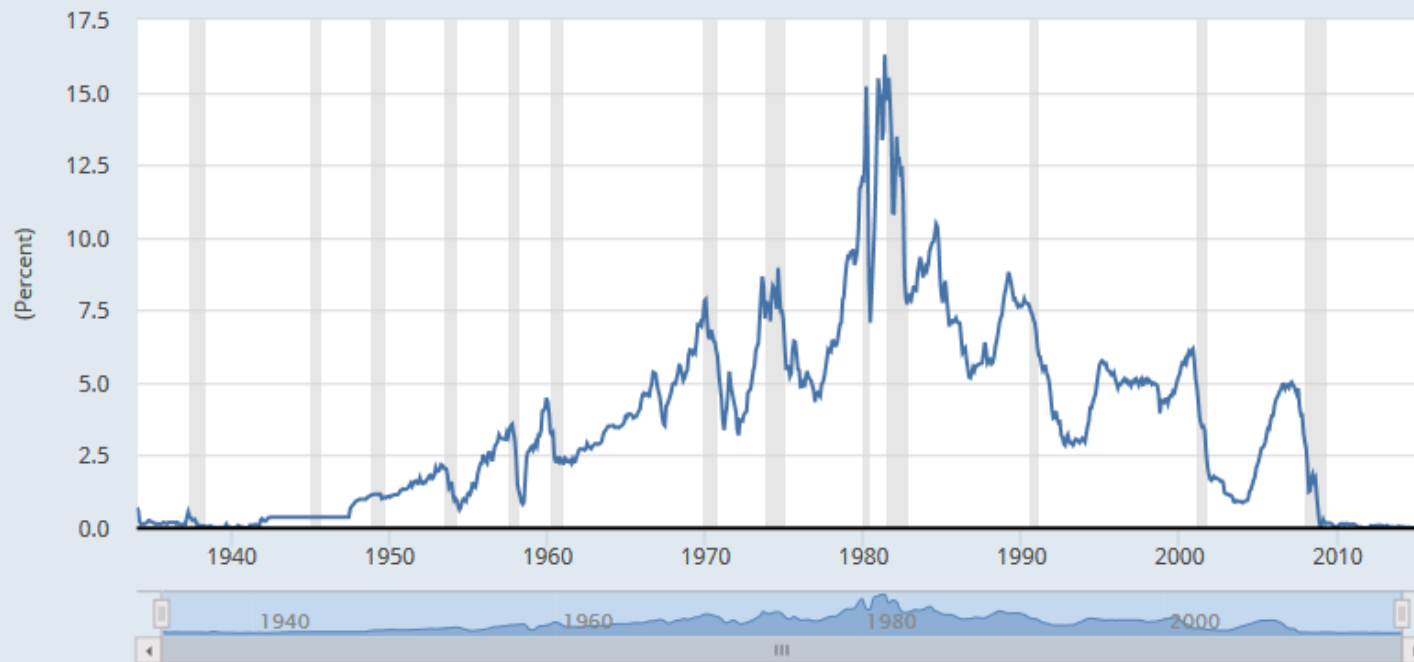
Monthly, Not Seasonally Adjusted, TB3MS, Updated: 2015-11-02 3:43 PM CST

1yr | 5yr | 10yr | Max

1934-01-01 to 2015-10-01

FRED

— 3-Month Treasury Bill: Secondary Market Rate



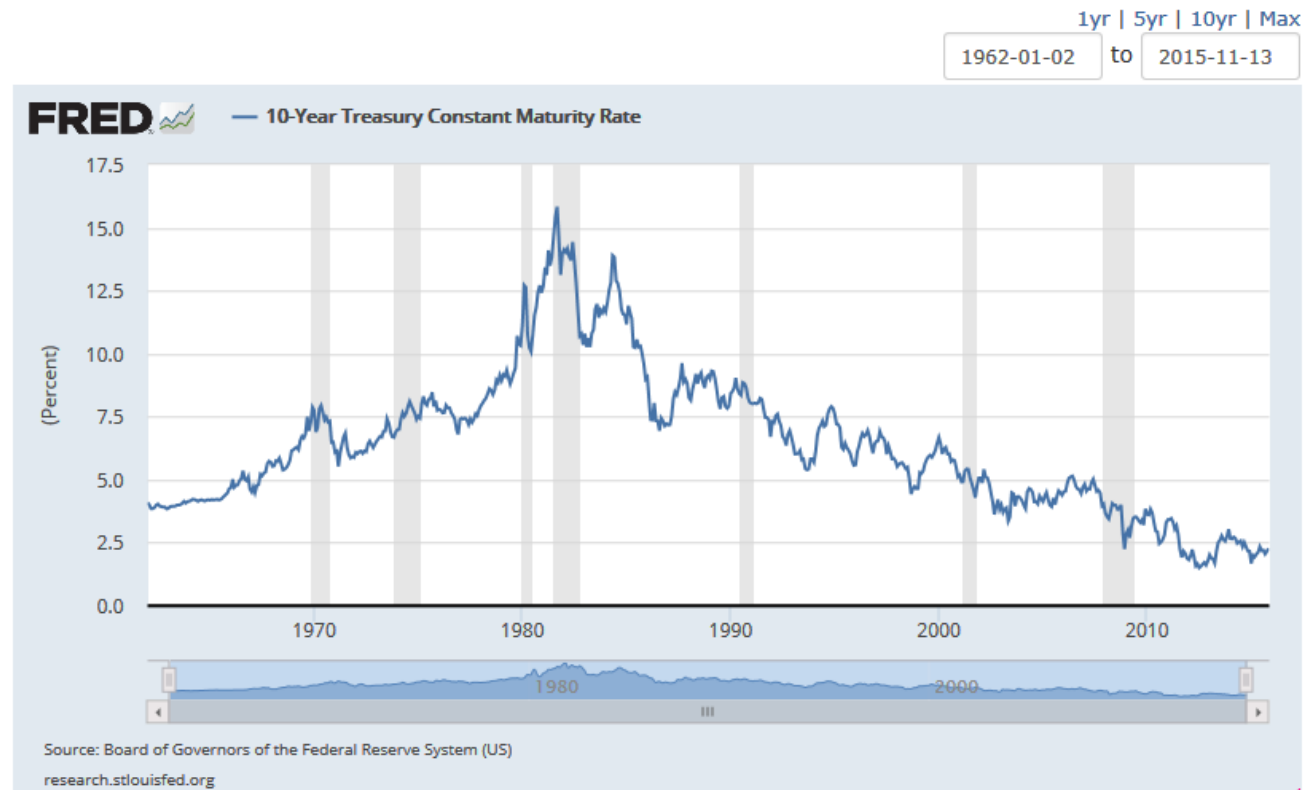
Source: Board of Governors of the Federal Reserve System (US)

research.stlouisfed.org

10-Year Treasury Constant Maturity Rate

2015-11-13: **2.28** Percent (+ see more)

Daily, Not Seasonally Adjusted, DGS10, Updated: 2015-11-16 3:26 PM CST





10 Largest Holdings as of November 13, 2015

	Company	Symbol	% of Total	Price *	Average Cost
1	Exxon	XOM	7.04%	\$78.10	\$84.82
2	Bank of America	BAC	5.81%	\$17.20	\$12.16
3	PBF Energy	PBF	5.80%	\$34.01	\$25.68
4	JP Morgan	JPM	5.54%	\$65.56	\$40.12
5	Gazprom	OGZPY	5.35%	\$4.03	\$6.26
6	Microsoft	MSFT	5.25%	\$52.84	\$26.92
7	Citigroup	C	5.21%	\$53.17	\$39.44
8	American Intl. Group	AIG	5.03%	\$59.31	\$41.68
9	Public Service	PEG	4.87%	\$39.06	\$31.43
10	Exelon	EXC	4.68%	\$28.34	\$34.14

* = Closing Prices November 13, 2015



Our **10** largest holdings make up **54.58%** of our entire portfolio.

We currently are **holding more positions than we typically do**. We currently have **30 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. We do have a 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 long-term or 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.



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.

Examples of some of our Investment Notes and Thesis:

Some of our current investing themes:

Potential bond crash based on liquidity (buyers may exit and no one to sell to), quality & potentially increasing interest rates.

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).

With all that, time and patience is always necessary in value investing.

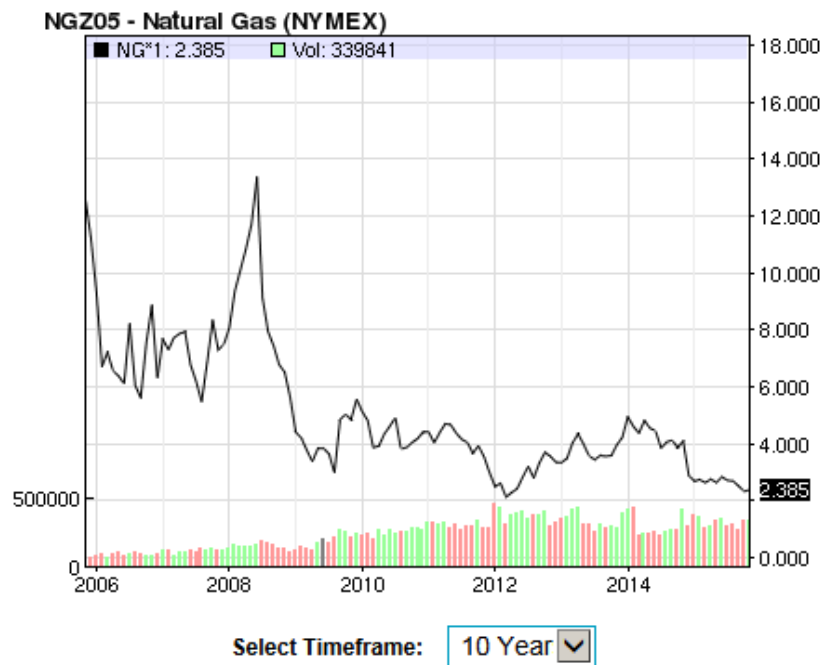
When reading about some of our current investments, please see our Disclosure Page at the end of this presentation. Our thesis and or inputs could have material errors. Our thesis, although has not changed as of this presentation, may change based on a number of potential circumstances.

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

Natural Gas

U.S. National Average Natural Gas Price

End of day Commodity Futures Price Quotes for Natural Gas (NYMEX)



EXXON (XOM) November 16, 2015 \$80.90

The following was written on October 29, 2015 when the price was \$81.79:

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, have maintained AAA credit ratings, and are respected throughout the industry. Keep in mind that natural gas prices continue to be at depression like levels.

Yield is 3.57% (\$2.92). Earnings expected at \$4.05 which would give a P/E of 20.20X. Dividend payout has averaged 27.3% for the last 10 years. The payout ratio was 34% in F2013, and 36% in F2014. Dividend payout ratio expected to be 71% and 58% for F2015 and F2016 respectively. ROE has averaged 26.07% for the last 10 years. ROE is expected to be 10.0% for F2015 and 12.0% for F2016. Average P/E for the last 10 years has been 11.54X. Projected eps for F2016 is \$5.05 which equates to a forward P/E of 16.20X.

Natural gas prices continue to slump. The price of NG is \$2.26. A year ago it was \$3.92. It was \$3.57 on August 19, 2013. XOM bought XTO in 2010. XOM is now the largest US producer of natural gas. Natural Gas prices have been at about 30% of their 2006 highs (near \$16 Henry Hub) and 2008 (near \$13). I think cash flows could increase if and when natural gas prices rise and if world growth engine starts again.

XOM has a AAA credit rating. A higher credit rating than the USA.

I wrote this in November 2014, and sure enough oil and natural gas prices dropped dramatically. ***“Our earnings projections have been lower than actual historically. Yet, I would not read too much into that, as much of the earnings are based on prices of crude and natural gas.”***

Gazprom (OGZPY) November 16, 2015 \$4.18

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), geopolitical situation, stalling growth, and possible contractions, continued recessions and deflation in Europe and emerging markets. We offset that with what I consider to be a cheap market, and potential resolution of the Geopolitical situation.

We project earnings to be ~\$0.75 for F2015, and hence the Price/Earnings ratio is less than 6X. We project Book Value for F2015 to be ~\$16 per share, and hence price/Book value is a low 0.25X. Return on Equity (ROE) is projected to be 4.69%. The projected ROE is low, but I believe that is reflected in the industry depression, and the low price to book value. Dividend of \$0.225 generates a dividend yield of ~6%. Gazprom carries a debt/capital ratio of 26.85%, which is fairly strong. Exxon carries the same ratio at 16.70%, and Chevron at 17.90%.

Standard and Poor’s rates the credit BB+, and Moody's rates it Ba1, both being considered non-investment grade. Dagong, the largest credit rating agency in China rates the credit AAA.

Considering all the negatives in Russia and the declining price of oil, Gazprom has reported fairly decent results so far in 2015. Gazprom claims all is well, and that they can weather this storm. For the first time in 10 quarters, Gazprom was Free Cash Flow negative at June 30, 2015.

PBF Energy (PBF) November 16, 2015(\$34.38)

The following was written on November 9, 2015 when the price was \$35.51:

We are investing in an east coast refiner with Mid-continent exposure. PBF is the 5th largest independent refiner in the USA. The P/E is rather low at 9.0X.

If PBF were to ever earn \$6.00 per share, and a P/E of 20 (granted quite high, but optimistic hypothetical best case scenario), the price per share would be \$120.

We are investing in an east coast refiner with Mid-continent exposure. The forward P/E is rather low at 9X. Their balance sheet is quite healthy, and they claim to be focused on a strong balance sheet and high credit rating. They own and consolidate ~50% of PBFX. One of my favorite value investors, Baupost Group owns 11,025,000 shares or 11.29% of PBF common as of September 30, 2015, and PBF is stated as 6.04% of Baupost total assets. This was 3.08% at June 30, 2014. I am not thrilled riding on the coat tails of Seth Klarman, but with the low P/E, I decided to enter the investment. PBF was first purchased on November 13, 2014 at ~\$27.10 per share. Thomas D. O'Malley (Chairman of Board) owns 3,862,833 shares or 4.3% as of December 31, 2014.

We project PBF to earn \$4.25 per share in F2016, the P/E would be 8X. I think we have a margin of safety here, yet one needs to be patient, as earnings could be lumpy based on not only oil prices and demand, but also integration for a company that is claiming they will grow via acquisitions. The upper management seems on the ball and seasoned industry veterans.



Bank of America (BAC) November 16, 2015(\$17.43)

The following was written on November 4, 2015 when the price was \$17.09:

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. Thesis is based on an earnings and company turnaround situation. I expect that dividend increases will occur in the near future, as the government relaxes its stance on Bank of America, via prospective stress tests and higher liquidity ratios.

Book Value is \$22.41 per share, and Tangible Book Value is \$15.50 per share. Price to Book is 78%, and Price to Tangible Book is 112%. Prior to the financial crisis Price to Book was often over 2X.

Yield is 1.17% (\$0.20). Earnings expected at \$1.45 which would give a P/E of 11.79X. Dividend payout has averaged 47.20% for the last 10 years (not including F2008 and F2010). The payout ratio was 15% in F2013, and 48% in F2014. Dividend payout ratio expected to be 20% and 21% for F2015 and F2016 respectively. ROE has averaged 9.67% for the last 10 years (not including 2010). ROE is expected to be 7.0% for F2015 and 7.0% for F2016. ROA has averaged .578% for the last 10 years (not including 2010). ROA is expected to be 0.80% for F2015 and 0.85% for F2016. Average P/E for the last 10 years has been is not meaningful, as there have been 5 years of losses. Projected eps for F2016 is \$1.60 which equates to a forward P/E of 10.68X.

S&P Credit rating is A-, with Outlook Negative 11/2/15, Moody's Baa1 Outlook Stable 11/2/15, this was raised from Baa2 – Outlook Stable 11/14/13.

This thesis is extremely similar, but not exact, to our ownership in American International Group, Citigroup and JP Morgan Chase.

Microsoft (MSFT) November 16, 2015(\$53.77)

The following was written on November 6, 2015 when the price was \$54.36:

Yield is 2.65% (\$1.44). Earnings expected at \$2.75 which would give a P/E of 19.77X. Dividend payout has averaged 30.1% for the last 10 years. The payout ratio was 40% in F2014, and 45% in F2015. Dividend payout ratio expected to be 48% for F2016. ROE has averaged 35.85% for the last 10 years. ROE is expected to be >26.0% for F2016. Average P/E for the last 10 years has been 14.66 X. Projected eps for F2017 is \$3.00 which equates to a forward P/E of 18.12X.

Microsoft has a AAA balance sheet. \$12.32 per share of cash as of September 30, 2015. 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 19.77X. The P/E was lower previously, yet the P/E is still well below its ROE. Dividend yield is 2.654%. In the past, I tried to "kill this investment," and I couldn't. The investment could be killed now with an earnings miss, product failure or P/E contraction.

ROE was consistently over 20% through 2015.

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 Stable (9/22/08).

Microsoft has been buying back their shares consistently since 2004, when they had 10.9B shares. They now have shares outstanding of 8B. The average price of the almost 3B shares repurchased look to be around \$25 per share. I eyeballed that, and did not calculate it. Yet, I think I am quite close.

Public Service (PEG) November 16, 2015(\$39.88)

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.

The following was written on October 22, 2015 when the price was \$43.18:

Yield is 3.61% (\$1.56), it was 3.67% on October 30, 2014. Earnings expected at \$2.88 for 2015, which would give a P/E of 15.02X. Dividend payout has averaged 51.3% for the last 10 years. The payout ratio was 59% in F2013, and 49% in F2014. Dividend payout ratio expected to be 51% and 55% for F2015 and F2016 respectively. ROE has averaged 14.85% for the last 10 years. ROE is expected to be 12.0% for F2015 and 11.0% for F2016. Average P/E for the last 10 years has been 13.41X. Projected eps for F2016 is \$3.00 which equates to a forward P/E of 14.39X.

Morningstar credit rating is BBB+, with debt/equity of 25.72%. S&P Credit rating is BBB+, Moody's Baa1.

I would consider reducing this position at a price of \$45, as Forward P/E for F2016 would be 15X. I think a P/E of 14 is deserved (in this interest rate climate), hence a price of \$45 could be slightly excessive. Yet you have a strong company financially, credit upgrades and high ROE's. This would not be a definite sale candidate, unless monies could be deployed elsewhere.

Wal-Mart Stores(WMT) November 16, 2015(\$57.87)

The following was written on October 26, 2015 when the price was \$58.30:

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

Yield is 3.36% (\$1.96). F2016 earnings expected at \$4.14 which would give a P/E of 14.08X. Dividend pay-out has averaged 30.2% for the last 10 years. The payout ratio was 37% in F2014, and 38% in F2015. Dividend payout ratio expected to be 44% and 50% for F2016 and F2017 respectively. ROE has averaged 20.92% for the last 10 years. ROE is expected to be 17.0% for F2016 and 14.0% for F2017. Average P/E for the last 10 years has been 14.86X. Projected eps for F2016 is \$4.55 which equates to a forward P/E of 12.81X.

Wal-Mart recently guided that excluding the impact of currency exchange fluctuations, net sales growth would be approximately 3 percent for fiscal year 2016. In February, the company indicated that it expected net sales growth of between 1 and 2 percent. Net sales growth is expected to range between 3 and 4 percent annually over the next three years, translating to \$45 to \$60 billion over the period. Investments in e-commerce and digital initiatives are expected to total approximately \$1.1 billion in fiscal year 2017.

Morningstar Credit Rating is “AA” with debt/assets of 24.70%. S&P Credit rating is AA outlook stable, Moody’s Aa2.

Our reasons for owning today, are similar to the past.

Our investment in Walmart since July 2009 has not yet been awful. I think the potential value is there. Also keep in mind this is a 4.6% portfolio position, and our 11th largest holding. If my conviction to value and execution were greater it would be a larger position. Further material price drops could possibly increase our allocations to WMT. Of course if that were to happen, we would try to determine if the drop was operationally deserved, and if the narrative section of the thesis had changed.

First Solar(FSLR) November 16, 2015(\$54.18)

"We had tremendous execution in the third quarter from both a financial and bookings perspective," said Jim Hughes, CEO of First Solar. "We have now exceeded our book-to-bill target for the year, booked over 1GWdc of volume with deliveries after 2016, achieved strong quarterly earnings and have significantly raised our full year earnings guidance. We remain confident in our long term strategy and our ability to execute successfully."

The following was written on October 5, 2015 when the price was \$45.46:

This is a speculative investment, as the industry is just starting to develop. Walton Family owns > 26% of the common stock. Lumpy earnings and revenues seem to cause investors to stand aside of FSLR. Insider activity is immaterial, and there still is little to know selling. FSLR is the leader of large scale solar projects. Much of their revenues are international as well as to utility companies. First Solar has a strong balance sheet as well, as they have \$1.775B as of June 30, 2015, with Long Term Debt of \$258M.

FSLR is currently a 4.3% position in our portfolios. Our average cost is \$50.64.

Yield is 0.00% (\$0.00). Earnings expected at \$3.45 for 2015, which would give a P/E of 13.18. Dividend payout has averaged N/A% for the last 10 years. The payout ratio was N/A% in F2014, and N/A% in F2013. Dividend payout ratio expected to be 0.0% and 0.0% for F2014 and F2015 respectively. ROE has averaged 13.56% for the last 9 years. ROE has been lumpy those last 9 years, with a low of 1.0% in 2006, and 24.1% in 2009. ROE is expected to be 7.0% for F2015 and 7.5% for F2016. Of course, I would like to see a higher ROE. If ROE does not improve over the years, I could definitely have concerns. I think too early to tell, especially since this is an asset intensive business, which is hopefully creating future income with their current heavy asset balance sheet. Average P/E for the last 8 years has been 26.40X. P/E was as low as 5X in 2012, and as high as > 50X during 2008 and 2009. Projected eps for F2016 is \$3.50 which equates to a forward P/E of 12.99X. A year ago, we projected 2015 eps of \$4.50, which obviously will not occur. I do not consider this a "miss" as this company has extremely lumpy revenue and earnings flows.

Books I have read since April of 2014

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
Martian, The	Weir, Andy	2011	28-Sep-15	8.6
Like Switch, The	Schafer, Jack	2015	9-Sep-15	6
Great Gatsby, The	Fitzgerald, Scott F	1925	27-Aug-15	6.5
Plunder and deceit : big government's exploitation of young people and the future	Levin, Mark	2015	14-Aug-15	4
Putinism - Russia and Its Future with the West	Laqueur, Walter	2015	13-Aug-15	9
On The Road	Keroac, Jack	1957	7-Aug-15	10
Othello	Shakespeare, William	Naxos Auc	31-Jul-15	5
Red Mars (Mars Trilogy Book 1)	Robinson, Kim Stanley	2003	30-Jul-15	8
Frank, Anne Remembered: The Story of the Woman Who Helped to Hide the Frank Family	Gies, Miep	2009	27-Jul-15	9
Crime and Punishment	Dostoyevsky, Fyodor	1866	20-Jul-15	8
Undemocratic	Selulow, Jay	2015	8-Jul-15	3
Money Master the Game	Robbins, Tony	2014	11-Jun-15	5
Frank: A life in politics from the great society to Same-Sex Marraiage	Frank, Barney	2015	16-May-15	5
Accident, The	Pavone, Chris	2015	5-May-15	6
Doctor Sleep	King, Stephen	2013	15-Apr-15	6
42 Rules of Sensible Investing (2nd Edition)	Shirman, Leon	2012	16-Mar-15	10
How to Buy Stocks (8th edition)	Engel, Louis	1994	27-Feb-15	5
Putin's Kleptocracy	Dawisha, Karen	2014	20-Feb-15	5
Beyond Belief: My Secret Life Inside Scientology and My Harrowing Escape	Hill, Jenna	2013	17-Feb-15	10
Forgotten Depression, The	Grant, James	2014	10-Feb-15	7
Red Notice	Browder, Bill	2015	10-Feb-15	4
Nemesis	Roth, Philip	2010	15-Jan-15	8
Watchers, The	Koontz, Dean	1987	15-Jan-15	5
Berkshire Beyond Buffett	Cunningham, Lawrence	2014	13-Jan-15	8
Shining, The	King, Stephen		7-Jan-15	9
Unbroken	Hillebrand, Lauren	2014	25-Dec-14	6
Fooling Some of the People All of the Time, A Long Short (and Now Complete) Story, Updated	Einhorn, David	2010	15-Dec-14	6
Wuthering Heights	Bronte, Emily		1-Dec-14	5
Lord of the Flies	Golding, William	2002	1-Nov-14	8
Death of Money, The	Rickards, James	2014	16-Oct-14	3
Romeo and Juliet	Shakespeare, William	1600	6-Oct-14	10
Valley of Fear	Doyle, Sir Arthur Conan		1-Oct-14	
Business Adventures	Brooks, John	2014	28-Aug-14	4
Kentucky Fried Pensions	Tobe, Chris	2013	12-Aug-14	6
Escape From Camp 14	Harden, Blaine	2012	29-Jul-14	7
Secrets of the FBI, The	Kessler, Ronald	2012	30-Jun-14	7
Stress Test	Geithner, Tim	2014	30-Jun-14	10
Malcolm X: A Life of Reinvention	Marable, Manning	2012	28-May-14	8
Steve Jobs	Isaacson, Walter	2011	21-Apr-14	10
Blogging Enron	Ellison, Cara	2013	20-Apr-14	8

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!



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

Quotes and thoughts I have collected over the years.

"When Wall Streeters tout EBITDA as a valuation guide, button your wallet." **Warren Buffett**
2013 Annual Letter

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**

"My mother told me, never go to a fight you are invited to." **Jim Chanos** on discussing his China short thesis 10/14.

"There are structural issues in some focused ETF's, in the way they are constructed and how they settle. I will leave it at that." **Jim Chanos October 2014**

"My greatest investment concern is P/E contraction. Gazprom P/E of < 3. Of course not apples to apples. Lo single digit P/E's possible in USA." **Ronald Redfield, October 2014**

"The older I get, I am less inclined I am to sell a position. Looked at MSFT(45.76) to pair down, been ~80%+gain so far, see no reason to reduce." **Ronald Redfield, October 2014**



- *“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**



"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).



Some type of accessible liquidity is always necessary to take advantage of unexpected investment opportunities.

Owning Real Estate during the Great Depression was treacherous. Rents stopped coming in or deflated. Expenses could not be serviced.

Patience and Courage, can not be over emphasized in investing.

To build wealth (even in depressions). 1. Save \$\$, 2. Avoid speculation, 3. Make \$\$ work for you through conservative investments.

Prudence and patience in investing seemed to work during The Great Depression.

Quality and fundamentals were key. Buying during fear worked It looks as though The Great Depression key signs were, 1) no supply of \$\$, 2) employment levels, and 3) Capacity Utilization (was < 20%)

"Most people did not realize The Great Depression was over until a year or so after the turn had been made." **Benjamin Roth 'The Great Depression'**



"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**



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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