Redfield,
Blonsky &
Co., LLC
INVESTMENT MANAGEMENT DIVISION

15 North Union Ave. • PO Box 1103 • Cranford, NJ 07016-1103
(908) 276-7226 • Fax (908) 276-7274
www.rbcpa.com

"I don't think I've ever seen people as fearful economically as they are right now."
"This really is an economic Pearl Harbor. That sounds melodramatic, but I've never used that phrase before.
- Warren Buffett on the Charlie Rose show, October 1, 2008

"I've been buying American stocks. I can't predict the short-term movements of the stock market. I haven't the faintest idea as to whether stocks will be higher or lower a month – or a year – from now. What is likely, however, is that the market will move higher, perhaps substantially so, well before either sentiment or the economy turns up. So if you wait for the robins, spring will be over."
- Warren Buffett in the New York Times, October 16, 2008

"I am unquestionably optimistic about the long term. I'm more than a little pessimistic about the short term, but that doesn't mean I am pessimistic about the stock market. We bought stocks today. If you tell me the economy is going to be terrible for 12 months, pick a number, and then if I find something that is attractive today, I am going to buy it today. I am not going to wait and hope that it sells cheaper 6 months from now. Because who knows when stocks will hit a low or a high? Nobody knows that. All you know is whether you're getting enough for your money or not."
- Warren Buffett on PBS, January 22, 2009

February 10, 2009

Dear Clients and Friends,

In our July 2008 letter, we used a quote from Shelby Davis, "You make most of your money in a bear market, you just don't realize it at the time." There is no question that the past year was a difficult one for investing. Other than U.S. Government obligations, most investments, including stocks, bonds, and real estate, declined significantly. It appears that investments throughout the world were sold without regard for their value as investors and institutions were forced to raise cash. We think this indiscriminate selling has created tremendous opportunities for long-term investors.

Stocks appear to be priced for Armageddon. In his book 'A Short History of Financial Euphoria', John Kenneth Galbraith discussed the bidding up of asset prices during euphoric times. We think the bidding down of prices occurs during times of financial pessimism-the opposite of euphoria. We feel we are in that period now.

The world appears to be in a period of mass pessimism. Historically, other than from 1930 to the middle of 1932, periods of mass pessimism have been opportune times to invest. We do think that many of the companies we own offer business continuity for many years to come. This is based primarily on their solid balance sheets. Examples of companies like this are Merck, Pfizer, and Microsoft. We also do not think that the entire banking system will be nationalized. We believe these companies are priced at a level that could produce positive investment returns in the future.

There was a feeling of mass euphoria in the period preceding the Great Depression and Stock Market Crash of 1929 – 1932. In 1925 and 1926, Florida real estate was in the midst of a bubble. Credit was easily accessible, and it fed the buying frenzy. This is quite similar to the current real estate bubble and banking crisis. Margin buying was also quite prominent in the stock market in the mid to late 1920's. This led to mass speculation that, in turn, fed the market crash. Real estate prices peaked in 1926, and did not reach those levels again until 1947. Similarly, the stock market indexes peaked in 1929 and did not reach those levels again until 1955. Currently, there does not appear to be the margin scenario with stocks that was present in the mid to late 1920's. Yet, we have high leverage (debt) levels in many real estate holdings and real estate investments today.

Walter Bagehot, financial author and editor of the Economist from 1861 – 1877, once said, "All people are most credulous when they are most happy." As we continue to study, it is apparent that human psychology does not change. We had a bubble caused by free flowing liquidity. The world got giddy, and now we can see the errors of its ways--errors such as the Madoff scandal, easy lending and the real estate collapse.

One of our recent internal discussions centered on the default rates of state and municipal debt during the 1930's. Defaults on state and municipal debt during that time were not out of the ordinary. From 1929 – 1937, 15.4% of Aaa Municipal Bonds went into default. It might be reassuring to know that over a period of time these bonds had a fairly high recovery rate. There is debate whether current state and local governments have legacy issues similar to those in the auto industry. There is also debate centered on whether current governments have greater leverage and weaker financial profiles than those in the Depression years.

We anticipate potential, if not probable, inflation sometime in the future. Perhaps future inflation is the cure to the potential future legacy concerns we have for Federal, State and Local Governments. We have been studying the 1920's and 1930's in a relentless fashion.

In the past we have discussed that, at some point, it was expected we would lose money for a year or a period of years. We mentioned we could underperform comparative averages for a period of time as well. While we were aware of the housing bubble and thought that the mortgages would lead to problems for those lenders, we did not fully appreciate the ramifications for the entire worldwide economy. We were certainly on the forefront of being concerned with both corporate conduct and use of exotic products with the financial industry. We were quite vocal on the lending practices and the corporate acts of fiduciaries, such as Countrywide Financial from 2006 through 2007. Although we expected specific valuation adjustments, we certainly did not foresee AIG, Fannie Mae, Freddie Mac, Bear Stearns and Lehman Brothers all being rescued by the U.S. Government or filing for bankruptcy within a six-month period. Lehman Brothers survived two world wars, a depression and the Civil War but could not make it through the current financial crisis.

While a drop in equity prices is not unexpected, the significant decline in the fixed income positions was not expected. In times of panic, investors irrationally sell everything without regard to its value. As investments were sold, investors flocked to the safety and liquidity of U.S. Government securities. At one point, the interest rate on an investment in those government securities went negative. In other words, someone paid for the right to lend the U.S. Government money. Paying someone to hold your money seems to us to be the definition of irrational behavior.

We discuss portfolio composition almost every day in our firm. As Warren Buffett has reminded investors over the years, “Be fearful when others are greedy and greedy when others are fearful.” We don’t believe that an investment “bottom” can be predicted by an exact or short-term date. We continually monitor the holdings and look at various strengths and weaknesses in other companies that have been on our watch list, some for a long period of time. Often these companies seemed too expensive for us to purchase. Some of these companies have been added to our clients’ portfolios during January 2009. Our larger holdings and recent purchases are companies that have a large amount of cash and pay investors a dividend in excess of the current interest rates. For instance, Pfizer’s dividend yield was over 7% before the merger with Wyeth was announced (and still is near 4% after the announced dividend cut), while Verizon and Merck are currently yielding near 5%. Of course, there is no guarantee that the dividends remain at these current levels.

As many of you know, we are admirers of Warren Buffett’s investing process and thought it appropriate to include some of his recent quotes.

He recently said the following in an interview with PBS on January 22, 2009.

"Any stock I buy I will be happy owning it if they close the stock market for five years tomorrow. In other words I am buying a business. I’m not buying a stock. I’m buying a little piece of a business, just like I buy a farm. And that doesn’t change. And all the newspaper headlines of the world don’t change that. It doesn’t mean you can’t buy it cheaper tomorrow. It may turn out that way. But the real question is, did I get my money’s worth when I bought it?"

"My greed quotient has risen as stocks have gone down. There’s no question about that. The cheaper something gets that you’re going to buy, the happier you feel, right? You’re going to buy groceries the rest of your life; you want grocery prices to go up or down? You want them to go down. And if they go down you don’t think gee, I got all those groceries sitting in my cabinet at home and I’ve lost money on those. You think, I am buying my groceries cheaper; I am going to keep buying groceries. Now if you’re a seller, obviously prices are higher. But most people listening to this program, certainly I, myself, and Berkshire Hathaway, we’re going to be buying businesses over time. We like the idea of businesses getting cheaper."

"I spend 60 hours a week, thinking about investments and most people have got jobs and other things to do.”

“If you buy something with the idea that you’re going to do fine over 10 months, you may or may not. I do not know what stock is going be up 10 months from now, and I never will."

"I‘ve had three times in my lifetime since I took over Berkshire when Berkshire stock’s gone down 50 percent. In 1974 it went from $90 to $40. Did I feel badly? No I loved it! I bought more stock. So I don’t judge how Berkshire is doing by its market price, I judge it by how our businesses are doing."

"The most important investment lesson is to look at a stock as a piece of business not just some thing that jiggles up and down or that people recommend or people talk about earnings being up next quarter, something like that, but to look at it as a business and evaluate it as a business. If you don’t know enough to evaluate it as a business you don’t know enough to buy it. And if you do know enough to evaluate it as

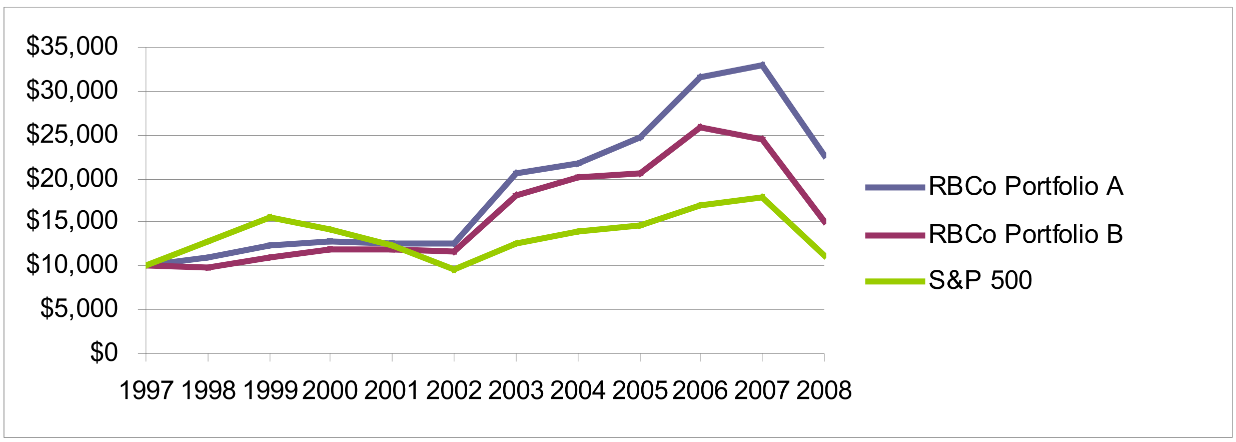
a business and it's selling cheap, you buy it and don't worry about what it's doing next week, next month or next year."

We certainly agree with Warren's sentiments.

Performance Results:

On average, our taxable accounts (those that permit short-selling) were down 31.4% in 2008 and accounts that do not permit short selling (e.g., IRA and custodial accounts) were down 38.1%. These results compare to a loss of 37% for the S&P 500. Below, we have detailed the annual results for each type of account. Portfolio A represents margin accounts that allow short selling and Portfolio B represents cash accounts that do not permit short selling. The accounts in Portfolio B are legally restricted from short selling. **Please refer to our disclosures at the end of this letter.**

Change in Value of a $10,000 Investment



Investment Returns Comparison

For year ended	RBCo	RBCo	
December 31, 2008	Portfolio A	Portfolio B	S&P 500
Average annualized returns			
1 year	-31.38%	-38.13%	-37.00%
3 year	-2.76%	-9.81%	-8.36%
5 year	1.88%	-3.47%	-2.19%
10 year	7.59%	4.48%	-1.38%
11 year (Starting 1998)	7.51%	3.84%	1.02%

Please note that past performance is no guarantee of future results.

A Summary of our Investment Principles, Some Thoughts and Philosophies.

1. **We take a long-term approach to investing.** Our clients should not judge our performance for at least 3 to 5 years. We are value investors. We are typically buying investments that are being dumped by Wall Street. Since we are buying investments as they are dropping in price, our performance in the early years is often going to underperform other investments. We certainly suggest that our clients immediately judge us based on portfolio composition and philosophy. We welcome questions and

comments on the investments and our approach. We are focused on portfolio positioning and not short-term portfolio performance.

2. **Drops in share prices are welcome.** We prefer to have the prices of shares we are accumulating to be dropping and not rising. If the share prices of any of these companies were to materially decline, we would probably look to increase our positions in these companies. Warren Buffett has said *"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."* We would welcome a market drop in the same fashion that a skier welcomes the winter snow. Peter Lynch notes in his book, 'Beating the Street' "*A decline in stock prices is not a surprising event; it's a recurring event - as normal as frigid air in Minnesota. If you live in a cold climate, you expect freezing temperatures, so when your outdoor thermometer drops below zero, you don't think of this as the beginning of the next Ice Age. You put on your parka, throw salt on the walk, and remind yourself that by summertime it will be warm outside.*" You can read our notes to Lynch's 'Beating The Street' at this link http://www.rbcpa.com/Peterlynch.html

3. **We eat our own cooking.** We manage our portfolios and our family's portfolios in the same manner as we manage yours.

4. **We try to have as few positions in our portfolio as possible.** We would ideally like to have 8 to 10 common stock positions. We try to keep portfolio activity to a minimum. We believe that less trading is preferred to frequent trading. On the other hand, our fixed income positions will often have greater trading frequency. Sometimes we feel a specific fixed income situation is a bargain at a certain price. We will be buyers, while we perceive that a bargain exists. At other times we will sell when we feel that the "bargain" has subsided.

5. **We attempt to be tax efficient.** We are always focused on tax efficiency. This is evident in our typical "buy and hold style."

6. **We will typically, but not always, outperform the stock averages in down years, and under perform the same averages when they have strong years.** There is certainly no guarantee of this, but in our 13 years of investing client's money, this is typically what has occurred. Warren Buffett discussed the General Market of 1959 on page 2 of his letter, *"I would rather sustain the penalties resulting from over-conservatism than face the consequences of error, perhaps with permanent capital loss, resulting from the adoption of a "New Era" philosophy where trees really do grow to the sky."*

In Warren's comments on year 1960, he mentioned something that we certainly believe in, *"I would consider a year in which we declined 15% and the average declined 30% to be much superior to a year when we both advanced 20%. Over a period of time there are going to be good and bad years; there is nothing to be gained by getting enthused or depressed about the sequence in which they occur."*

7. **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. The price of investments is a funny thing, and over the short term (short term being 3 years or less), anything can happen. In the book, The Money Game, Adam Smith pointed out when J. P. Morgan was asked what the market would do, he said, "It will fluctuate." Warren Buffett mentioned in his 1958 letter, "*I make no attempt to forecast the general market – my efforts are devoted to finding undervalued securities."*

8. **In many of our letters, and last year's annual letter we wrote**, "It is very possible, and at some point expected, that we will have a year, or a period of years, where we not only underperform comparative indexes, but also lose money at the same time."

9. **<u>We have discretion over the accounts we manage.</u>** We do not discuss investments with our clients prior to buying or selling them. We charge 1% of assets managed. This does not mean that we will not discuss the investments at all. If at some point you would like to discuss the holdings or a specific transaction, please give us a call or send an email.

We are keenly aware of the economic stress everyone is experiencing. While it is difficult to accept, we think it is an excellent time to invest for the long-term. It is interesting to note that when the market averages are going up and account balances are rising, people feel more comfortable adding to their account. It is more appropriate, and admittedly much more difficult, to add funds as the markets are falling. Again from Warren Buffett, *"To refer to a personal taste of mine, I am going to buy hamburgers the rest of my life. When hamburgers go down in price, we sing the "Hallelujah Chorus" in the Buffett household. When hamburgers go up, we weep. For most people, it is the same way with everything in life they will be buying – except stocks. When stocks go down and you can get more for your money, people don't like them anymore."*

The following quotes were collected from some of our previous letters. It is interesting to note that the philosophies talked about starting in 1996 have remained consistent during both bull and bear markets.

May 31, 1996 http://www.rbcpa.com/1996_05_31.html

"The key to making money in stocks is not to get scared out of them. This point cannot be overemphasized" (Peter Lynch).

"A decline in stock values is not a surprising event, it's a recurring event - as normal as frigid air in Minnesota. If you live in a cold climate, you expect freezing temperatures, so when your outdoor thermometer drops below zero, you don't think of this as the beginning of the next Ice Age. You put on your parka, throw salt on the walk and remind yourself that by summertime it will be warm outside."

"A successful stock picker has the same relationship with a drop in the market as a Minnesotan has with freezing weather. You know it's coming and you're ready to ride it out. When your favorite stocks go down with the rest, you jump at the chance to buy more" (Peter Lynch).

Warren Buffett's admonition that "people who can't tolerate seeing their stocks lose 50 percent of their value shouldn't own stocks also applies to stock funds" (Peter Lynch).

August 12, 1997 http://www.rbcpa.com/1997_08_12.html

"We have passed on certain momentum investments which are not trading within long-term fundamental patterns. One example of this is Coca-Cola (KO). Our analysis of Coke shows it to be severely overvalued. Various indicators, such as price to cash flow, price to earnings and price to book are at unprecedented historic highs. We have been investing in a way to take advantage of price declines in the share price of Coke."

"Conventional wisdom from the securities industry tells us the following.

"You cannot time the market" - we agree with this for the most part. When markets are severely overvalued, asset allocation plays a stronger role. For example, our fixed income portfolios have been over-weighted as compared to equities. We still have specific equity exposure. We are convinced that the next bear market will bring prices down in most equities (and bonds for that matter). One must understand and be comfortable with maintaining a long-term approach when investing in equities, especially when a fundamental and value approach is used. History CAN predict when markets are overvalued!"

January 28, 2000 http://www.rbcpa.com/2000_01_28.html

"This is a fun fact. As of December 31, 1999, America Online is valued at more than GM, Ford and the entire steel industry combined."

"We look forward to the day where our typical long-term portfolios have a 75% or greater position in equities. We will patiently wait for more appropriate valuation levels before we allocate to that type of position."

March 24, 2001 http://www.rbcpa.com/VIEWS/032401.html

"Now that the valuations have dropped so significantly, we have started accumulating positions in several of these companies. We have started investing in some of these types of companies after they have lost well in excess of 50 % off of their market highs (some have experienced losses in excess of 90 % in value, before we started our accumulation)."

"As we all know, these are financially stressful times. Our goal is to complement our managed portfolios with our inordinate amount of unbiased research into specific companies and industries. We are quite willing to recognize our mistakes and we are constantly trying to find mistakes in our current research. We generally only invest for the long-term. When we begin accumulating a position we realize that the results of our investment may take upwards of 5 years or more to show positive returns. We realize that these returns may not ever materialize."

May 14, 2002 http://www.rbcpa.com/VIEWS/051402.htm

"We continue to be suspect of certain accounting presentations. We have been and continue to be critical and analytical with the aggressive use of accounting as it relates to the following:

a. Revenue recognition principles.

b. The lack of understanding in valuations and looking at company fundamentals, in regard to stock option compensation based expenses not being reported on the income statement.

c. The statement of cash flows being distorted by various stock option compensation expense tax benefits.

d. Aggressive usage of pension assumptions, which can give a boost to earnings per share.

e. Aggressive balance sheets via the use of intangible assets, inventories and accounts receivable.

f. The lack of understanding on how options, share repurchases and issuance of shares does materially affect the valuation of a company."

"The key to our investing has always been to search for values that are not always apparent. Generally, these values will be bought by our firm, when no one wants them and vice versa, being sold by our firm, when the whole world wants to invest in them."

"We expect that the massive buying opportunity will occur after typical investors finally throw up their hands in surrender. The scenario of the masses selling stock at any price is called capitulation. I have always looked forward to the days of capitulation. Hopefully, we will be the ones buying up all the shares that are being dumped by the masses."

June 18, 2003 http://www.rbcpa.com/crisis_is_the_seed_of_opportunity.html

"People need to have an inherent trust in fellow man and the system, yet not have a blind faith in that trust. Investors need to re-educate themselves and try to align themselves with people who can help them interpret the financial system; it's risks, rewards and various possibilities. People need to make sure they stay diversified and balanced. People need to apply logic to their investments. They need to realize that an investment is nurtured over time. Investors need to ask questions. If an investor doesn't trust something, they need to exercise prudence and doubt to see if they can either prove their lack of trust or to conquer the fear of mistrust.

I am fortunate that I have the training to analyze financial matters and the ability to exercise doubt. I understand that the financial system has its weaknesses. There are things that I am concerned with in the financial system, yet I have an inherent belief that the financial system will survive. I believe that the current financial distresses that exist in our financial system will become the seed of a better system in the future. Some of the current distresses I am concerned with are the use of derivatives by our financial institutions, the global economy and how that will affect the high standard of living for the typical American, the outsourcing of manufacturing and services to foreign countries, the use of debt by the typical American, the reliance by the government and Corporate America on the consumer to keep spending at its recent pace, and the blind belief by typical Americans that Real Estate will always increase in value, no matter what the current price is.

Crisis occurs in life. Very often, crisis is the seed of opportunity."

October 8, 2003 http://www.rbcpa.com/Investmentthoughts100803.htm

"Always try to think about "long-term investing". Patience is vital to investing. Very often we are buying investments that are out of favor and being tossed aside by most investors. An example of this was our accumulation of high quality bonds in the late 90's. We were accumulating bonds, quite inexpensively as Wall Street was dumping bonds to generate investment funds to put into the high flying NASDAQ stocks. We also had been accumulating technology shares near the bottom of the 2000 Crash. Nevertheless, we based our decisions on our perspective of future revenues and cash flows of the companies we invested in."

"Exercise doubt in all aspects of investing. Professional skepticism is not popular, yet we find it incredibly necessary in helping us research an investment. Ultimately we trust the markets and our financial system, but questioning that system until it makes sense is a vital step in investing. Peter Lynch wrote an excellent book called "Beating The Street". You can read some notes on that book at this link http://www.rbcpa.com/features/beatstreet.htm. Peter suggests that you should never invest in any idea you can't illustrate with a crayon. He feels that you should be able to explain any investment to a 10 year old. If you can't explain it to a 10 year old, then you should consider passing on the investment."

"Always look forward, never look back. Whatever has happened in the past is over. Use your knowledge of the past in your investment philosophy going forward. We refer to using the costly lessons of the past as "sunk costs"."

June 17, 2005 http://www.rbcpa.com/2005_06_17.html

"We like to understand the fundamental aspects of a company we invest in. We like to project future earnings, cash flows and business continuity. We like to tear apart company's financial statements. Much of this type of analysis is currently available on our website. We realize that our analysis is ever changing and we attempt to adjust to these changes. Generally the process is an adjustment of our mid-term to long-term valuations of these companies."

"We often study the financials of a company extensively. We look to find potential areas of concern in the financials. We use our accounting background to attempt to formulate our financial statements analysis. We often continually look for errors in our analysis and our interpretations of value. We are not at all embarrassed or ashamed to admit errors. "

"Although investing with us has generally provided positive returns in a consistent fashion over the last 10 years, we are not immune to losses. We do not view portfolio declines as broken investing. We often view declines in prices of companies as a welcome event. While declines occur, your portfolio may be guilty of lack of performance, as well as generating negative returns. When this occurs our firms revenues will also decline.

I am currently reading a book to my 6-year-old son. The book is about forest fires. The book explains how forest fires are often caused by nature. The book explains that natural forest fires are actually a fertilizer for future growth. We view value investing is a similar view.

We ask that our clients judge our performance over the long term. If you worked with us since 1995, you will recall that our approach to investing, as well as our philosophies, have not shifted over the years. We consider long term investing to be a 5-year or longer period. We plan on continuing to invest our monies in what we consider to be a value approach. We will continue to exercise doubt, scrutiny, responsibility and respect in our decisions."

September 14, 2006 http://www.rbcpa.com/2006_09_14.html

"Avoid investing around noise and macro issues. There are a lot of what appear to be natural occurrences in the world. These include, wars, elections, major world events, weather, booms, inflation, transportation, communication and so forth. We do not try to predict these events. Yet, when there is a paradigm shift, we will do our best to embrace it. One example is our focus in the telecommunications industry. If you review our website, you will see we have been following that industry closely since 1998. Fortunately, we perceived over-valuation and typically profited during the crash of 2000 – 2002. Now we have exposure to the industry on the long side. Hopefully in the future, I will be able to discuss that we were "fortunate" in being involved with that industry."

"How do we decide to invest in a company?

a. We might come across a company via a friend, observations of children, and observations at work. Then we will investigate the financials of the company.

b. We will try to project their future earnings. We will try to determine the "quality of the earnings." We will look at bad case and good case scenarios.

c. We will study the industry, the competitors, the suppliers, the customers and the management. We like to invest in companies or situations where the management's livelihoods are in sync with the shareholders."

"Our focus and methods are often contrarian. We often work inversely to the crowd. Someone I once knew ran into a friend of mine a few weeks ago. The person said, “How is Ron? He always marched to the beat of a different drummer.” I felt hurt when I heard it. My close and long time friend, said, “I shouldn’t have told you he said that.” I thought about it for weeks, googled it, talked to my sister, etc. You know, what I initially thought was an insult, really wasn’t. I think there is a lot of truth to what he said. Anyway, from an investment point of view, you don’t need the warmth of a crowd to invest, but you do need to “march to the beat of a different drummer.”"

Conclusion:

We try not to focus a great deal on the day-to-day “noise” in the markets and attempt to focus on the information that will have a long-term impact on our current investments and potential investments. The economy will struggle to recover from excess borrowing. Concerns will exist as to why fiduciaries failed to act like fiduciaries.

We are confident that the practices and research that have served value investors, and us, well in the past will continue to serve us well in the future. Each day we question our theories and practices and attempt to exercise uncertainty and doubt in our research. We remind ourselves that doubt is central to understanding.

We thank you for taking the time to read this letter and we encourage you to visit our website and review our past letters. We also update our current commentary from time to time. We are grateful for the referrals we have received from clients. If you know of anyone looking for an investment advisor, please consider mentioning us. We would be happy to speak with them.

We wish you a happy, healthy and prosperous new year. We cannot be sure what will happen this year in the markets, but we do hope our clients understand our long-term philosophy and can withstand the bumps ahead. As always, if you have any questions or concerns about your account or its holdings, please feel free to give us a call or send us an email.

Very truly yours,

Redfield, Blonsky & Co., LLC

Ronald R. Redfield, CPA/PFS   John O’Shaughnessy, CPA

Redfield, Blonsky & Co. LLC
15 North Union Avenue
Cranford, NJ 07016-1103
www.rbcpa.com
908 276 7226 phone
908 276 7274 fax

Important disclosures

- This communication is a publication of Redfield, Blonsky & Co, LLC (RBCo). It should not be regarded as a complete analysis of the subjects discussed. All expressions of opinion reflect the judgment of the authors as of the date of publication and are subject to change.

- Information presented does not involve the rendering of personalized investment advice, but is limited to the dissemination of general information on products and services. 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.

- Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended by the adviser) will be equal to past performance levels.

- RBCo is registered as an investment adviser with the SEC. The firm only transacts business in states where it is properly registered, or is excluded or exempted from registration requirements.

- 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. RBCo's actual performance may be lower or higher than the performance data shown.

- 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 RBCo performance is referred to, results have been reduced by all fees, including the RBCo management fee.

- Returns for the RBCo portfolios have been calculated using an average of actual time-weighted returns obtained from a sample of accounts over the time period indicated. These sample accounts were typically chosen based on their asset size. We have selected accounts, not based on past performance, but based on what we think is a fair and representative portrayal of our entire population. All RBCo returns assume the reinvestment of dividends and are shown net of the investment management fees and all other expenses. RBCo's performance results made reference to directly or indirectly in this presentation or on our website, include a 1% RBCo management fee. Please see our form ADV for a full fee disclosure. Actual individual account performance may be materially different from our sample results. Results of actual portfolios not included in our sample are available upon request.

- The RBCo portfolio strategies are a product of the investment vehicles available within the portfolio. The accounts represented in Portfolio A permit the shorting of investments, while the accounts represented in Portfolio B do not allow for shorting. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark.

- 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 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.