



# Investor Presentation as of December 31, 2017

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

**rbcpa.com**

January 8, 2018



- Registered investment advisor since 1995. (Registration with the SEC or any state securities authority does not imply a certain level of skill or training.)
- **\$54,372,486** under management as of December 31, 2017.
- Portfolios that are constructed to meet our clients' future goals and developed to be in-sync with our clients' individual risk tolerance levels.
- We supplement our own extensive research with independent sell-side and buy-side research.
- 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.

***"Doubt - The only human activity capable of controlling the use of power in a positive way. Doubt is central to understanding." Author - Unknown***



## Investment Philosophy

- 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.
- 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.*"



## RBS's 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.
5. 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.



## RBS's Investment Strategy

- **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. Yet, I really don't know what a proper comparative benchmark would be.
- Hence, we also show our comparative results to Tweedy Browne Value Fund.
- *"When reading, follow your curiosity. Read things to don't agree with. This contributes to being actively open minded."* **Michael Mauboussin**

**Please refer to our Disclosures page.**



### RBS Performance Summary

Average Annual Total Returns as of <b>12/31/2017</b>	20 Years	15 Years	10 Years	5 Years	3 Years	1 Year
<b>RBS – All returns presented net of fees</b>	<b>7.84%</b>	<b>8.84%</b>	<b>4.87%</b>	<b>11.66%</b>	<b>7.56%</b>	<b>18.68%</b>
<b>S&amp;P 500</b>	6.77%	9.70%	7.91%	15.76%	11.18%	21.74%
<b>Vanguard Balanced Index Fund</b>	6.6%	8.1%	6.8%	10.2%	7.7%	13.8%
<b>Tweedy Browne Value Fund</b>	5.89%	7.33%	6.43%	9.05%	6.52%	16.46%

Please refer to our Disclosures page.



**Assets Under Management (AUM) by Year**

2017	\$54,372,486
2016	\$47,837,192
2015	\$45,237,256
2014	\$52,656,180
2013	\$48,275,701
2012	\$40,547,505
2011	\$36,002,854
2010	\$38,494,263
2009	\$44,563,605
2008	\$39,966,101
2007	\$62,331,172
2006	\$62,400,132
2005	\$49,107,209
2004	\$42,490,926
2003	\$33,655,091
2002	\$17,201,496
2001	\$15,817,128
2000	\$14,395,901
1999	\$12,978,688
1998	\$9,963,050
1997	\$5,346,494

**Please refer to our disclosures page.**



**10 Largest Holdings as of December 31, 2017 – These accounted for 53.25% of our December 31, 2017 holdings.**

	Company	Symbol	% of Total	Price	Average Cost	Original Year Bought
1	Bank of America	BAC	7.43%	\$29.52	\$13.04	2011
2	Gazprom	OGZPY	6.92%	\$4.41	\$5.07	2014
3	Citigroup	C	6.61%	\$74.41	\$41.39	2008
4	JP Morgan Chase	JPM	6.35%	\$106.94	\$43.10	2008
5	PBF Energy	PBF	5.23%	\$35.45	\$24.77	2013
6	Exxon Mobil	XOM	5.03%	\$83.64	\$84.38	2008
7	Conoco Phillips	COP	4.36%	\$54.89	\$42.02	2009
8	Intel Corp.	INTC	4.35%	\$46.16	\$27.73	2012
9	Schlumberger	SLB	3.69%	\$67.39	\$68.45	2014
10	First Energy	FE	3.28%	\$30.62	\$32.53	2013





**10 Largest Gains as of December 31, 2017 - These accounted for 25.4% of our December 31, 2017 holdings.**

	Company	Symbol	Price	Average Cost	% Gain 2017	Original Year Bought
1	Canopy Growth	TWMJF	\$23.66	\$1.28	270.2%	2014
2	NRG Energy	NRG	\$28.48	\$12.68	134.2%	2011/2014
3	First Solar Corp.	FSLR	\$67.52	\$49.62	120.7%	2014
4	Terra Tech Corp.	TRTC	\$0.387	\$0.19	103.4%	2017
5	Castle Brands	ROX	\$1.22	\$0.83	67.1%	2016
6	Inovalon Holdings	INOV	Sold '17	Sold '17	60.5%	2016
7	Wal-Mart Stores	WMT	\$98.75	\$59.78	48.0%	2009
8	Microsoft Corp.	MSFT	\$85.54	\$27.41	41.5%	2005
9	Bank of America	BAC	\$29.52	\$13.04	35.9%	2011
10	PBF Energy	PBF	\$35.45	\$24.77	35.5%	2016



**10 Largest Losses as of December 31, 2017 - These accounted for 18.6% of our December 31, 2017 holdings.**

	Company	Symbol	Price	Average Cost	% Loss 2017	Original Year Bought
1	Frontier Corp.	FTR	\$6.76	\$32.85	(80.9%)	2012
2	Frontier Preferred's	FTRPR	\$10.82	\$37.24	(60.3%)	2017
3	Scana Corp.	SCG	\$39.78	\$55.68	(36.8%)	2017
4	OPKO Health	OPK	\$4.90	\$7.30	(34.8%)	2017
5	Sherritt International	SHERF	Sold '17	Sold '17	(31.7%)	2011
6	Helios & Matheson	HMNY	\$6.31	\$8.53	(30.8%)	2017
7	Schlumberger	SLB	\$67.39	\$68.45	(14.3%)	2014
8	Gazprom	OGZPY	\$4.41	\$5.07	(9.5%)	2014
9	American Intl. Group	AIG	\$59.58	\$48.53	(6.7%)	2005
10	Brunswick Bancorp	BRBW	\$7.25	\$5.38	(5.8%)	2015



## List of our holdings at December 31, 2017

Portfolio Position	Symbol	Description	Market Price 31-Dec-17	Cost/Unit	TWROI Performance	Allocation Value%	Aggregate Allocation %
					31-Dec-17		
1	BAC	Bank Of America Corporation	29.52	12.94	35.90%	7.50%	7.50%
2	OGZPY	Pjs c Gazprom Adr Sponsored	4.41	5.05	-9.50%	6.60%	14.10%
3	JPM	JP Morgan Chase & Co	106.94	42.59	26.90%	6.40%	20.50%
4	C	Citigroup Inc	74.41	41.09	27.00%	6.30%	26.80%
5	PBF	PBF Energy Inc	35.45	24.81	33.50%	5.30%	32.10%
6	XOM	Exxon Mobil Corporation	83.84	84.43	-3.80%	5.10%	37.20%
7	COP	ConocoPhillips	54.89	41.94	16.40%	4.50%	41.70%
8	INTC	Intel Corp	46.16	27.61	30.60%	4.50%	46.20%
9	SLB	Schlumberger	67.39	68.39	-14.30%	3.60%	49.80%
10	FE	First Energy Corp	30.62	32.61	4.10%	3.40%	53.20%
11	SBRCY	Sberbank Of Russia Adr	17.03	16.48	0.70%	2.80%	56.00%
12	WMT	Wal-Mart Stores	98.75	59.49	48.00%	2.80%	58.80%
13	MSFT	Microsoft Corporation	85.54	27.41	41.50%	2.50%	61.30%
14	CVX	Chevron	125.19	97.02	10.90%	2.40%	63.70%
15	MRK	Merck & Company, Inc.	56.27	55.00	2.50%	2.30%	66.00%
16	SCG	Scana Corp Com	39.78	55.70	-36.80%	2.30%	68.30%
17	BGFV	Big 5 Sporting Goods Corp	7.60	6.47	8.40%	2.20%	70.50%
18	FSLR	First Solar Inc	67.52	49.78	120.70%	2.20%	72.70%
19	TWMUF	Canopy Growth Corp Com	23.68	1.28	270.20%	2.20%	74.90%
20	AIG	American International Group	59.58	48.10	-6.70%	2.10%	77.00%
21	NRG	NRG Energy	28.48	12.68	134.20%	2.10%	79.10%
22	PEG	Public Service Enterprise	51.50	32.74	22.60%	2.10%	81.20%
23	ALK	Alaska Air Group Inc Com	73.51	66.19	11.50%	1.90%	83.10%
24	EXC	Exelon Corporation	39.41	33.83	15.40%	1.70%	84.80%
25	MNDO	Mind Cti Ltd	2.77	2.36	25.80%	1.70%	86.50%
26	TWTR	Twitter Inc Com	24.01	16.49	47.00%	1.50%	88.00%
27	GILD	Gilead Sciences, Inc. (Drugs)	71.64	66.67	11.70%	1.40%	89.40%
28	HIMNY	Helios And Matheson Analytics	6.31	8.53	-30.80%	1.20%	90.60%
29	ORCL	Oracle Corporation	47.28	37.43	26.00%	1.20%	91.80%
30	AAXN	Axon Enterprise Inc Com	26.50	17.99	10.60%	1.10%	92.90%
31	BRBW	Brunswick Bancorp Com	7.25	5.37	-5.80%	0.80%	93.70%
32	JOE	St Joe Company	18.05	19.72	-4.80%	0.80%	94.50%
33	OPK	Opko Health Inc Com	4.90	7.32	-34.80%	0.70%	95.20%
34	CFG	Citizens Financial Group Inc C	41.98	36.83	14.60%	0.50%	95.70%
35	FTR	Frontier Communications Corp	6.76	31.88	-80.90%	0.50%	96.20%
36	ROX	Castle Brands Inc Com	1.22	0.83	67.10%	0.40%	96.60%
37	TRTC	Terra Tech Corp Com	0.39	0.19	103.40%	0.40%	97.00%
38	XLU	Select Sector Spdr Trust Utili	52.68	37.58	12.00%	0.30%	97.30%
39	XLF	AMEX SPDR INDEX FINANCIAL	27.91	20.57	21.80%	0.10%	97.40%
40	FTRPR	Frontier Preferreds	10.82	38.49	-80.30%	0.00%	97.40%
		Rounding and Cash				2.60%	100.00%

### **RBS Investment Return Table**

<b>Year Ending</b>	<b>RBS (1)</b>	<b>S&amp;P 500 (2)</b>	<b>Relative Results (1)-(2)</b>
<b>1998</b>	5.00%	28.58%	(23.58)
<b>1999</b>	7.50%	21.04%	(13.54)
<b>2000</b>	11.20%	(9.10%)	20.30
<b>2001</b>	0.10%	(11.89%)	11.99
<b>2002</b>	1.10%	(22.10%)	23.20
<b>2003</b>	52.60%	28.69%	23.91
<b>2004</b>	7.90%	10.88%	(2.98)
<b>2005</b>	7.30%	4.91%	2.39
<b>2006</b>	26.00%	15.79%	10.21
<b>2007</b>	(0.40%)	5.49%	(5.89)
<b>2008</b>	(34.70%)	(37.00%)	2.30
<b>2009</b>	22.10%	26.46%	(4.36)
<b>2010</b>	1.30%	15.06%	(13.76)
<b>2011</b>	0.50%	2.12%	(1.62)
<b>2012</b>	14.10%	15.96%	(1.86)
<b>2013</b>	24.80%	32.22%	(7.42)
<b>2014</b>	11.80%	13.57%	(1.77)
<b>2015</b>	(7.22%)	1.33%	(8.55)
<b>2016</b>	13.04%	11.82%	1.22
<b>2017</b>	18.68%	21.74%	(3.06)

**Please refer to our Disclosures page**

**RBS Top 5 Common Equity Holdings by dollar value for 2009 - 2017**

	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>1</b>	Bank of America	Bank of America	Exxon	Exxon	Exxon	National Western Life Insurance	National Western Life Insurance	Microsoft	Microsoft
<b>2</b>	Gazprom	Gazprom	PBF Energy	PSEG	National Western Life Insurance	Microsoft	Microsoft	Wal-Mart	Pfizer
<b>3</b>	Citigroup	JP Morgan Chase	Bank of America	National Western Life Insurance	Microsoft	PSEG	Wal-Mart	Exxon	Verizon
<b>4</b>	JP Morgan Chase	Exxon	JP Morgan Chase	Microsoft	PSEG	Pfizer	Pfizer	Conoco	WalMart
<b>5</b>	PBF Energy	Citigroup	Microsoft	Exelon	JP Morgan Chase	JP Morgan Chase	Exxon	Novartis	News Corp.

***"We always run scared" Marty Whitman***



***"We do not have, never have had, and never will have an opinion about where the stock market, interest rates or business activity will be a year from now." Warren E. Buffett 1987***

RBS puts a great deal of emphasis on trying to please and at the same time, educate our clients. We ask that our clients stay in touch with their investments and investment objectives periodically. We encourage our clients to play an active role with us in maintaining and developing a successful long term portfolio. Our primary goal, using a value approach, is to implement investment strategies that will preserve and enhance wealth, while minimizing downside risk.

***"Value investors must be over-weighted in patience." Seth Klarman***

***"Investing isn't simply about being sure you are right, but about making sure you are protected if you are wrong." Jason Zweig***

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

**Biography:**

**Ronald R. Redfield, CPA, PFS**, heads our Investment Management Division and is the Chief Investment Officer, Chief Compliance Officer, and Portfolio Manager of RBS. Ron graduated from Syracuse University with a Bachelors degree in Business and Accounting in 1981 and joined RBS in 1983. During 1988 Ron started to become active in business valuations using financial statement analysis. Ron began offering investment guidance to several clients in 1992 and in 1995 RBS registered as Investment Advisors. He attends courses during the year to further his education in business valuations and investing.

Ron has served on the Board of Directors, as well as Treasurer, of Resolve Community Action Agency, a Not-For-Profit organization, located in Scotch Plains, NJ. He has been active with the New York State Society of Certified Public Accountants Sports and Entertainment Accounting Division since 1987 and has chaired their annual conference in New York City, where there were over 300 attendees. Ron was a speaker at the 2006 conference and has discussed long-term investing for members of the Entertainment Industry.

***"Value investing is like buying a snowboard during July."*** Ronald R. Redfield, April 2009

### **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](http://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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1024 South Avenue W, Westfield NJ 07090

Telephone: (908) 276-7226

Facsimile: (908) 264-7972

*"Having been poor is no shame, but being ashamed of it, is."* Benjamin Franklin

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