

2016 Mid-Year Letter

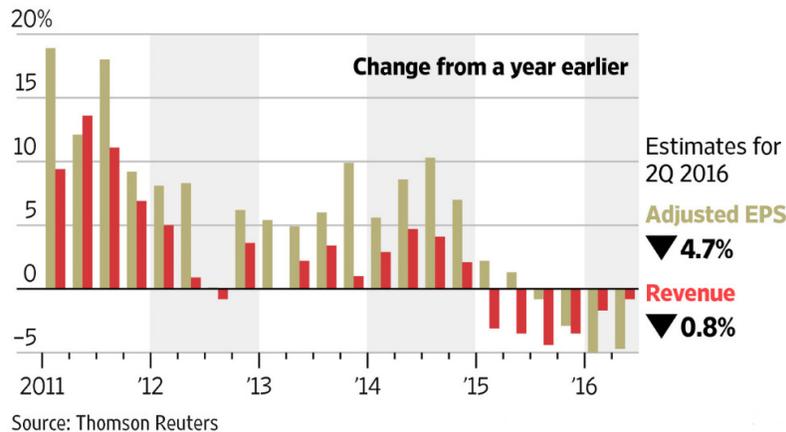
July 27, 2016

Dear Investor,

The Greenfield Seitz Core Composite was up 6.1% (net-of-fees) for the six months ended June 30th versus 3.9% for the S&P 500 Index and -2.3% for the MSCI International Index.¹

Economic Update

Corporate earnings continue to be weak. The S&P 500 is expected to post a fifth consecutive quarter of year-over-year declines in earnings.² The global economy continues to be in a slow/negative growth environment, despite unprecedented stimulus.

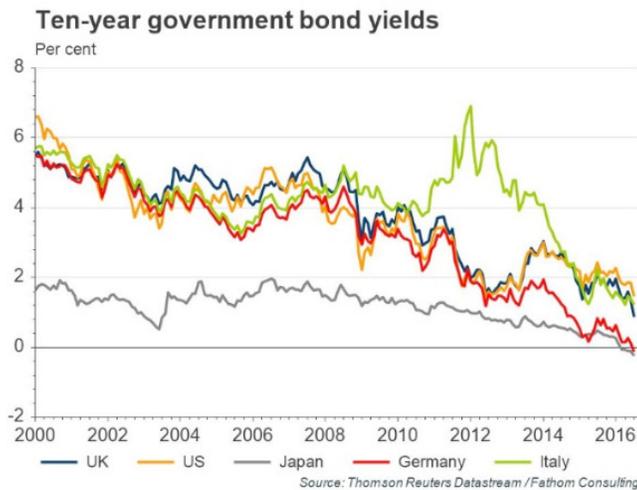


The unemployment rate in the U.S. is down to just 4.9%.³ While the economy may be healthy, we believe this number is artificially low because of how many people have been taken out of the workforce (the denominator in the equation). David Rosenberg points out the job market is not that great as evidenced by: (1) personal income tax receipts fell 11% this year; (2) corporate income taxes are down 16%; and (3) state sales tax collections are the slowest in three years.⁴

Oil has posted a dramatic 73% recovery (WTI - \$45/bbl) from hitting a 13-year low in February at \$26/bbl. Lower rig counts and structural declines in many foreign countries combined with stable demand led to the jump in prices. Raymond James predicts “tightening global oil supply/demand dynamics will support \$80/bbl WTI by the end of 2017.”⁵

Negative Interest Rate Bonds

Policymakers in many countries have come to rely on monetary stimulus since the 2008 Financial Crisis. Having failed to revitalize economic growth, they have sought ever more drastic measures to stimulate the economy. Central banks’ efforts to keep interest rates at record lows have resulted in \$13 trillion worth of global government bonds now having negative yields, such as Japan and Germany (#3 and #4 world economies).



The thought of making an investment to get less money back is crazy. Why wouldn't an investor just keep their cash under the mattress? In fact, 40-year Japanese bonds now yield just 0.065%, which means in 40 years you would only make a total return of 2.6%. We worry that the "easy money" policies that have inflated bond prices to ridiculous levels have also propped up stocks to unrealistic valuations. Remember, unlike fiat currencies, you cannot print more gold.

Brexit

In June, the United Kingdom voted on a referendum to remain or leave the European Union. Polling before the vote led the market to believe that "remain" would easily prevail. The surprise victory for "leave" triggered a severe reaction across investment markets as selling ensued for risk assets and investors moved into safe havens like Treasuries and gold. Gold is up 26% this year to \$1,332/oz and gold mining stocks such as Randgold (GOLD) are up 90% this year.

We believed the fuss was overdone considering this was only a referendum not to be finalized until parliament votes later. As expected, markets quickly recovered. But we note: (1) voters seem discontent with establishment politics and immigration; (2) 50% of the UK's exports go to the EU so the UK should hope trade doesn't slow; (3) banks could be hurt if London loses its status as the financial headquarters of Europe; (4) this may be more negative for the EU than the UK; and (5) the U.S. and other central banks will keep rates lower longer (more easing).

Outlook

We continue to be cautious with the stock market hitting all-time highs, while corporate earnings are struggling. It seems valuations are stretched at a time when fundamentals are weakening. Additionally, we are concerned that governments will eventually need to reduce their stimulus programs. For now, we are happy to see the market hitting new highs and content owning quality companies with some cash in reserve.

As always, please contact us anytime if you have any questions.

Sincerely,

Greenfield Seitz Capital Management

GREENFIELD SEITZ CAPITAL MANAGEMENT

Past performance does not guarantee future results.

1 MSCI ACWI-ex U.S.

2 Factset. July 1, 2106

3 Bureau of Labor Statistics. June 17, 2016

4 Gluskin Sheff. July 18, 2016

5. Raymond James Equity Research. 2016

Greenfield Seitz Capital Management has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Firm Information: Greenfield Seitz Capital Management ("GSCM") is a registered investment advisor based in Dallas, Texas. GSCM specializes in managing separate investment accounts for high net-worth individuals, with a focus on equities. GSCM is structured as a Limited Liability Corporation. GSCM utilizes Raymond James Financial, Inc. as its custodian of assets.

Composite Characteristics: The Greenfield Seitz Capital Management Core Composite is comprised of accounts whose primary objective is growth of principle by investing primarily in stocks of U.S. and international companies. Before investing with GSCM, all clients agree to the investment style so all accounts are employing GSCM's investment strategy. The composite contains all discretionary accounts that exceed the minimum asset level. The GSCM Core Composite is the only composite for GSCM and contains no carve-outs. A complete list and description of all firm composites is available upon request (GSCM Core Composite is the only composite for Greenfield Seitz Capital Management). The minimum portfolio size for the GSCM Core Composite is \$1,000,000. Accounts may include up to 20% fixed income investments. As a whole, fixed income securities represent less than 5% of total composite assets. The start date for the GSCM Core Composite was January 1, 1997 and the composite was created in October 2004. The composite benchmark is the S&P 500 Index, which represents two-thirds of U.S. equity market value. New accounts are added to the composite at the beginning of the first full calendar month that they meet the composite definition. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. Accounts are removed on a monthly basis from the composite when assets fall below 70% of the minimum. Dispersion is only shown on annual periods.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars, and individual portfolios are revalued monthly. Pricing information is supplied by ISS. The firm uses the trade date monthly returns and links these returns geometrically to produce an accurate time-weighted rate of return. Prior to January 2002, some accounts may have employed the use of settlement date accounting to calculate performance results. Time-weighted total returns include both capital appreciation and reinvested dividends. The GSCM Composite performance is the total return including cash and cash equivalents, of an asset-weighted composite of all discretionary portfolios managed by Stuart Greenfield and Yancey Seitz. Composite returns are asset-weighted. Net of fees returns are calculated net of management fees, transaction costs, and custodian fees. To calculate gross of fees returns, please review our fees and add applicable fees back into returns accordingly. Returns are calculated gross of all withholding taxes on foreign dividends. The dispersion measure is the asset-weighted standard deviation of accounts in the composite for the entire year. On 2/28/06, the composite changed software to Advent Axys. After the change in software programs, composite returns are now calculated using modified dietz and cash-basis dividends.

Key Manager Change: In February 2002, Stuart Greenfield assumed co-responsibility for stock selection and investment management from Eric Greenfield. Yancey Seitz has had investment management responsibility during all periods of the Composite.

Net-of-Fee Performance: Net of fee performance shown reflects the deduction of actual fees. To calculate gross of fees returns, please review our fees and add applicable fees back into returns accordingly. Actual fees are expected to be lower than the maximum scheduled rate of 1%. All charts and tables are shown Net of Fees.

Retail Fee Schedule: 1.00% on assets under management

Other Disclosures: Greenfield Seitz Capital Management has received a firm-wide GIPS® Verification for the period January 1, 1997 – June 30, 2016 from ACA Beacon Verification Services. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. To obtain performance data current to most recent month end, please contact us. You should consider our investment objectives, risks, and fees carefully before you invest. Additional information regarding policies for calculating and reporting returns is available upon request.

Past performance does not guarantee future results. The market value of securities fluctuates and you may incur a profit or a loss. This analysis does not include transaction costs and tax considerations. The material included in this presentation is for informational purposes only, and is not intended as an offer or a solicitation to buy or sell any securities.

Any views or opinions presented in this presentation are solely those of GSCM. While the information contained in this presentation is believed to be reliable, no representation or warranty, whether express or implied, is made and no liability or responsibility is accepted by GSCM as to the accuracy or completeness thereof.

Special risks are involved with global and international investing related to market and currency fluctuations, economic and political instability, and different financial accounting standards. These risks are magnified by emerging markets.

Please visit www.gscapital.net for additional disclosures or to view our updated Form ADV.

Verification Report

Greenfield Seitz Capital Management, LLC
 2100 McKinney Avenue, Suite 1420
 Dallas, TX 75201

We have verified whether Greenfield Seitz Capital Management, LLC (the Firm) (1) complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods from January 1, 1997 through June 30, 2016, and (2) designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of June 30, 2016. The Firm's management is responsible for compliance with the GIPS standards and the design of its policies and procedures. Our responsibility is to express an opinion based on our verification. We conducted this verification in accordance with the required verification procedures of the GIPS standards. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, the Firm has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from January 1, 1997 through June 30, 2016; and
- Designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of June 30, 2016.

This report does not relate to or provide assurance on any composite compliant presentation of the Firm and does not ensure the accuracy of any specific composite compliant presentation.

ACA Performance Services, LLC

ACA Performance Services, LLC
 July 27, 2016

Core Composite Returns (accounts over \$1 million)
Net-of-Fees

Year	Total Return	MSCI World Index %	S&P 500 Index %	Number of Portfolios	Dispersion %	Total Composite Assets (millions)	Total Firm Assets End of Period (millions)	Percentage of Firm Assets	3-Yr Ex-Post Standard Deviation		
									GSCM	WORLD S&P500	
1997	17.10%	16.23%	33.36%	22	6.14	\$43.80	\$138.69	31.6%			
1998	8.94%	24.80%	28.58%	22	7.66	\$42.99	\$165.11	26.0%			
1999	15.15%	25.34%	21.04%	24	6.61	\$50.65	\$179.31	28.2%			
2000	14.81%	-12.92%	-9.11%	32	5.10	\$63.92	\$194.67	32.8%			
2001	3.68%	-16.52%	-11.88%	36	4.53	\$70.85	\$201.94	35.1%			
2002	-14.32%	-19.54%	-22.10%	37	4.25	\$64.62	\$172.01	37.6%			
2003	28.77%	33.76%	28.68%	38	6.04	\$76.22	\$200.36	38.0%			
2004	14.79%	15.25%	10.88%	45	3.59	\$100.21	\$231.78	43.2%			
2005	16.62%	10.02%	4.90%	55	4.77	\$123.77	\$226.25	54.7%			
2006	18.85%	20.65%	15.79%	61	2.94	\$150.21	\$267.49	56.2%			
2007	7.22%	9.57%	5.50%	63	2.74	\$149.20	\$273.20	54.6%			
2008	-34.43%	-40.33%	-37.00%	60	3.75	\$97.13	\$186.79	52.0%			
2009	29.17%	30.79%	26.46%	55	6.15	\$103.07	\$197.42	52.2%			
2010	14.81%	9.55%	15.06%	52	3.59	\$116.64	\$220.98	52.8%			
2011	-6.97%	-7.61%	2.11%	62	4.60	\$229.41	\$308.02	74.5%	15.96	20.59	18.70
2012	11.46%	13.18%	15.99%	53	2.05	\$250.49	\$335.13	74.7%	13.37	17.15	15.09
2013	18.90%	24.10%	32.40%	61	2.73	\$240.21	\$386.47	62.2%	11.92	14.50	11.94
2014	6.24%	2.93%	13.69%	60	2.14	\$228.27	\$355.34	64.2%	9.27	11.73	8.98
2015	-1.90%	-1.94%	1.38%	67	1.65	\$221.46	\$329.66	67.2%	8.74	10.47	9.10
6/30/2016	6.08%	-0.58%	3.85%	67	n/a	\$237.73	\$359.21	64.5%	n/a	n/a	n/a

Cumulative Return	311.20%	167.00%	292.27%
Annualized Return:	GSCM	WORLD %	S&P 500
Since Incep (1996)	9.24%	6.33%	8.92%
10 Years	4.76%	4.00%	7.30%
5 Years	1.41%	5.55%	12.57%
3 Years	7.41%	7.80%	15.13%
Worst 3-yr Period	-9.19%	-41.51%	-37.61%

*Past performance is no guarantee of future results. Annualized and cumulative returns are as of 12/31/2015. See important disclosures and information at www.gscapital.net.