Greenfield Seitz
CAPITAL MANAGEMENT

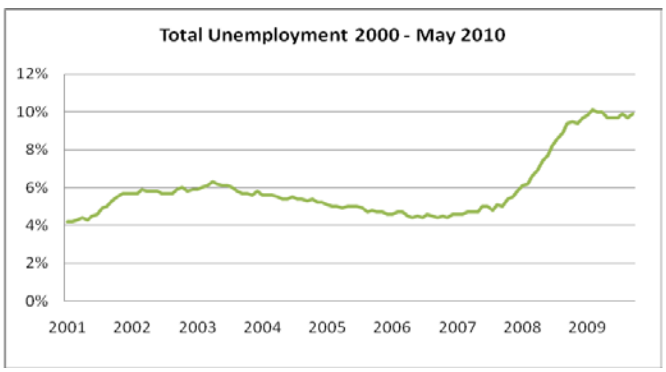
2010 Mid-Year Update

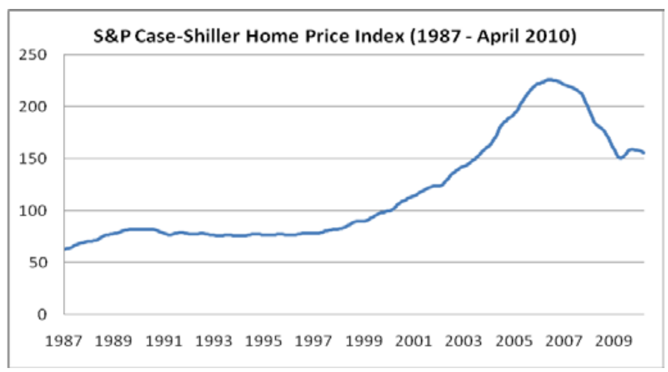
July 21, 2010

Dear Investor,

In the first half of 2010, the Greenfield Seitz composite lost 2.55%, net of fees. During this same period, the S&P 500 Index fell 6.65%.

U.S. Economy
We are still concerned about the economy despite positive economic signs and an 80% rebound in S&P 500 Index off its 2009 lows. Many of our concerns with the economy have not improved such as (1) Unemployment at 10%; (2) Falling housing prices; (3) Government stimulus running out; (4) Record decline in bank lending; and (5) Leverage in the financial system. In addition to our many previous concerns, we believe some temporary factors are making the economy appear healthier than reality. Several short-term factors are helping consumer balance sheets and spending, such as extended unemployment benefits/insurance, tax refunds that were 10% above 2009, zero percent Fed funds rate, and people not paying their mortgages. Banks have been slow to kick out delinquent homeowners, and we imagine these consumers are spending that extra money not used on mortgage payments. As of April, one in ten homeowners is now more than 90 days behind on their mortgage payments, which is an all-time record.[1] In our opinion, the bubble in debt and housing took many years to form, and it is unlikely it can be resolved in just 18 months.





Housing
With the homebuyer tax credit, we still didn't see much strength in the housing market. In the first quarter, new home sales fell at a 14% annual rate. As with "cash for clunkers" we think any strength in housing was a brief tax-credit surge that will be followed by continued weakness. Despite all the government stimulus and zero Fed funds rate, home sales are still down roughly 70% from their pre-recession highs. It now takes 14.4 months for homebuilders to locate a buyer upon completion of a unit, which is a record. In April, median home prices fell 11% in the second sharpest monthly decline in the 35-year history of the data.

Purchase - Transocean
We recently bought Transocean after the sinking of Deepwater Horizon and crisis in the Gulf of Mexico. This is a company we have admired for years, and when the stock dropped 50% in a matter of days, we decided the risk/reward was in our favor. Transocean's P/E fell below 6x, which is a real value for a company that is the global leader in offshore drilling and has excellent earnings visibility with many of its rigs in long-term contracts. In fact, its current backlog is $30 billion. Regarding the Deepwater Horizon, Transocean was fully insured and has already been paid for the rig and we believe has excellent liability coverage. Historically, it is the rig operator (BP) that bears responsibility for environmental damages, cleanup, etc. Even in a worst case scenario of decreased

offshore drilling in the U.S., we note that Transocean gets less than 15% of its business from the U.S. and there is strong demand from countries like Brazil where Transocean could easily move rigs.[2]

Canadian Oil Sands

The crisis in the Gulf could actually be a positive for our largest stock holding, which operates in the Canadian Oil Sands. The Gulf of Mexico provides 28% of U.S. oil supply, and any slowdown in production would be a positive for the Canadian Oil Sands, which is the largest foreign supplier of oil to the U.S. (18%).[3] On May 28, the government halted all production in deepwater Gulf of Mexico. We remind ourselves that the Canadian Oil Sands are the second largest deposit of oil in the world and have the ability to provide 100% of U.S. demand for 25 years.[4] Additionally, this event should be a positive for the case for alternative energy sources, such as wind.

May 6 – Flash Crash

On May 6th, the Dow Jones Industrial Average declined 999 points (9.2%), which was the biggest one day point decline. Amazingly, the DJIA fell 750 points in just 15 minutes before quickly recovering to close down *just* 348 points. We have several thoughts about this significant event. First, this event damaged the psyche of investors. Investors had already been hit hard by two recent Bear markets, and to see that they can lose 10% of their savings in a day has to scare people. Mutual fund outflows confirmed that retail investors pulled money out of equities following the crash, as Lipper reported the biggest weekly outflow from stock funds since 2002 ($16.7 billion). Second, this selloff was very similar to the computer driven "portfolio insurance" that caused Black Monday in 1987, and one must wonder if we learned anything from history as Black Monday was similar to the flash crash of May 29, 1962. Third, computers have long accounted for the majority of trades and now make up more than 73% of all equity trades.[5] The shift to computer generated trades has changed the market dynamics. Despite the market's quick recovery, we believe this was a significant, negative event that may be a harbinger of more declines. It showed the market was in weak hands with many people ready to sell, and it has surely damaged the mindset of many investors.

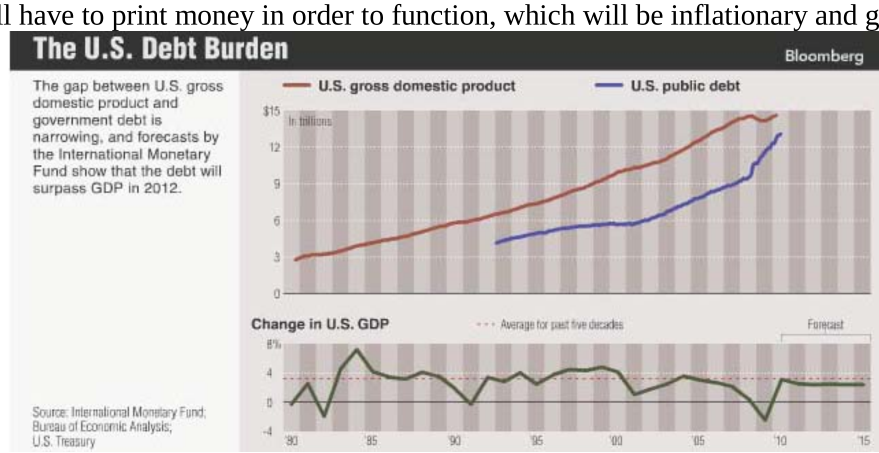
Gold Hits All-Time High

In the first half of 2010, gold hit another all-time high. As you know, we have been steadfast gold bulls since 2000 and continue to believe this is a long-term move in the price of gold (versus the U.S. dollar).

In May, the European Union was forced to spend $1 trillion to rescue Greece from default. We think many investors are now awakening to the problem of fiat currencies, which are just an IOU from the government. Greece is certainly not alone with many other countries around the world in jeopardy of defaulting. Even the U.S. has serious issues.

According to historical research over the past 200 years, once a nation hits 90% Debt/GDP there has been hyperinflation in every example.[6] The U.S. currently has $13.1 trillion of debt with about $14 trillion of GDP for a ratio of 94%, which doesn't include Medicare and Social Security liabilities estimated at $99.2 trillion . As more investors question the possibility of currency debasement, gold should rise in value.

The Government Accountability Office (GAO) noted the US's budget deficit was 9.9% of GDP in 2009, which is the largest since 1945. The GAO stated using reasonable assumptions, "roughly 93 cents of every dollar of federal revenue will be spent on the major entitlement programs and interest costs by 2020." If we don't change course, the government will have to print money in order to function, which will be inflationary and good for gold.



Overpaid Government Workers & Municipal Financial Woes

It has become clear that in the recent recession private businesses have cut costs, but the government has not. This is a problem for the national government, as well as state and local governments. Tax revenues have dropped dramatically, but spending continues at unsustainable levels. During the current recession, businesses have let go 8.5 million people (7.4% of workforce), while local governments have cut only 141,000 workers (less than 1% of employees).[7] In 2008, in the midst of recession, the number of federal employees making over $150,000 in annual salary *doubled*.[8] We have warned about the risk of municipal bonds and in June Warren Buffet joined in, saying "I expect terrible problems for municipal debt."

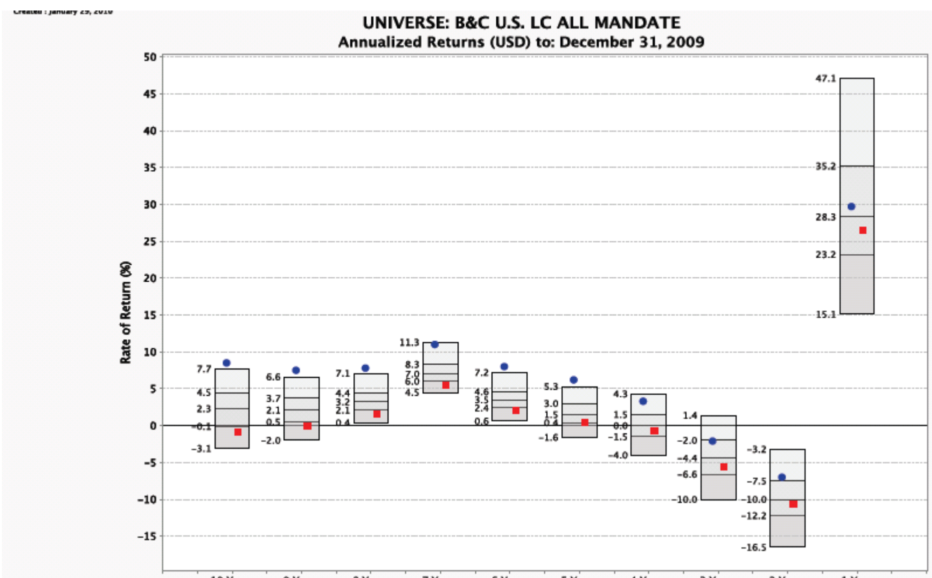
Public sector jobs used to offer job security but lower pay, but this has changed in the past decade. The average federal salary is $119,982, compared with $59,909 for the average private sector worker.[8] California is in the midst of a $40 billion annual budget deficit and made headlines last year when the state was forced to issue $2 billion in IOU's when it had no cash to meet its obligations.

What many do not know about the state of California is the average retired police officer receives $80,000/year pension for life, plus full health benefits for life.[9] Oddly, there are now more government employees in unions, with 37.6% of all government employees in unions compared to just 7.3% for non-government workers.[10] On top of all this, the average public pension fund assumes 8% annual appreciation, despite only appreciating at 4% for the past decade.[11]

Performance

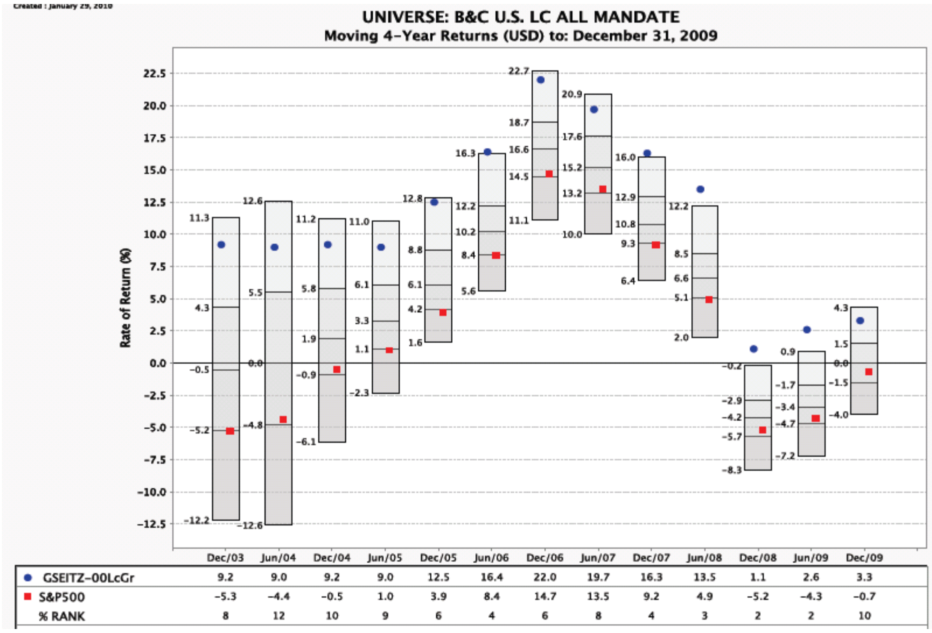
PSN Informa named Greenfield Seitz their "Manager of the Decade" in February. PSN is one of the largest institutional investment consultants and tracks the performance of more than 7,000 investment managers and mutual funds. We were honored to be ranked Manager of Decade for the past 10 years (2000 – 2009) and hope to receive the title again in the future.

GSCM has outperformed 97% of peers for the past 5 years & 10 years.



	10 Years	9 Years	8 Years	7 Years	6 Years	5 Years	4 Years	3 Years	2 Years	1 Year
GSEITZ-00LcGr	8.5	7.5	7.8	11.0	8.0	6.2	3.3	-2.1	-7.0	29.7
S&P500	-0.9	0.0	1.6	5.5	2.1	0.4	-0.7	-5.6	-10.7	26.5
% RANK	3	3	2	5	4	3	10	27	20	44

While looking at 4-year trailing returns, GSCM has been in the top 12% of equity managers *every year* for the past 10 years.



Outlook

We continue to be defensively positioned and hope that this will help mitigate losses in a market decline and help us to keep powder dry for a buying opportunity, much like our purchases during the 2008-09 declines. In this difficult economic setting, we believe we have the correct mix of equities in outstanding companies combined with cash/gold exposure.

Greenfield Seitz Capital has managed money for clients since 1964. Since our inception 46 years ago we have adhered steadfastly to the same investment discipline of seeking to buy well-run businesses in attractive industries and holding them for the long-term. We have applied this investment discipline decade after decade and through many different market environments. As a sign of our commitment to and conviction in the discipline, our family is GSCM's largest investor as we invest our money side by side with our clients. As always, we are optimistic about profitable opportunities in all markets.

Sincerely,

Greenfield Seitz Capital Management

GREENFIELD SEITZ CAPITAL MANAGEMENT

[1] Mortgage Bankers Association, 2010.
[2] Transocean Annual Report, 2009.
[3] U.S. Energy Information Administration, 2010.
[4] Raymond James Equity Research, 2006.
[5] *Advanced Trading Magazine*, 7/10/09 .
[5] "The Machines that ate the Market," *Businessweek*, 2010.
[6] Carmen Reinhart & Kenneth Rogoff, *This Time Is Different: Eight Centuries of Financial Folly*, 2009.
[7] Bloomberg News. *Easy Money, Hard Truths*, 5/26/2010.
[8] Cato Institute, *Downsizing the Federal Government*, 6/1/2010.
[9] *Forbes* 6/1/2010.
[10] Unionstats.com, 2010.
[11] *L.A. Times*, 4/14/2010.

GREENFIELD SEITZ CAPITAL MANAGEMENT, LLC
2100 McKINNEY | Suite 1420 | Dallas, Tx | 75201 | www.gscapital.net

Greenfield Seitz Capital Management has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Past performance is no guarantee of future results.

Please visit www.gscapital.net to view our updated Form ADV.

Greenfield Seitz Capital Management's ("GSCM") returns are calculated using daily valuation, are time-weighted and include cash in the total returns. For GSCM disciplines, performance is based on a size-weighted (asset-weighted) composite of all discretionary, wrap-fee accounts managed by GSCM. Terminated accounts remain in the composites including last full quarter. GSCM seeks to apply a consistent management style across all accounts managed within a particular strategy. However, because individual accounts contained in the composite vary by size and cash flows, the specific securities held and rates of return achieved may differ among accounts.

Net results reflect the deduction of investment management fees and any other expenses that may be incurred, but not domestic taxes. Performance includes reinvestment of all income, dividends, and capital gains. Total return is reported using accrual accounting except for dividends. GSCM's portfolios are individually managed and opened at different times and no inference should be drawn that new or existing accounts will achieve similar investment performance in the future. Rather, the above returns are presented to illustrate GSCM's portfolio management experience generally. GSCM performance measurement processes and procedures have been verified by an independent auditor. Any revisions will be promptly published.

Past performance does not guarantee future results. There is no assurance this trend will continue. 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 the GSCM. All country performance figures are actual MSCI Indexes. 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.

The S&P 500 is an unmanaged Index of 500 stocks that is considered representative of the U.S. stock market. Indexes cannot be invested in directly.

In February 2002, Stuart Greenfield assumed responsibility for stock selection and investment management from Eric Greenfield. Yancey Seitz has shared investment management responsibility since 1995.

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.

Investing in commodities is generally considered speculative because of the significant potential for investment loss. Commodities are volatile investments and should only form a small part of a diversified portfolio. Markets for precious metals and other commodities are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

Separately Managed Accounts (SMAs) are similar to mutual funds in that a professional investment manager takes care of security selection and monitoring of the portfolio. However, a separate account manager holds the investor's assets in a segregated account instead of placing them in a pool with other investors. Separate accounts are subject to market risks and investors may realize a profit or a loss. SMAs may not be appropriate for all investors.

Please visit *www.gscapital.net* for additional disclosures.

ACA
COMPLIANCE GROUP
BEACON VERIFICATION SERVICES

2120 L Street, NW, Suite 530
Washington, DC 20037
202.955.5800 PHONE
202.955.8331 FAX
www.acacompliancegroup.com

GIPS® Compliance Verification Statement

Greenfield Seitz Capital Management
Issued July 21, 2010

The following report issued by Beacon Verification Services ("Beacon") is for a firm-wide GIPS® Verification of Greenfield Seitz Capital Management's ("Greenfield Seitz") claim of compliance with the Global Investment Performance Standards (GIPS®) for the period December 31, 1996 through June 30, 2010.

We have examined whether Greenfield Seitz (1) complied with all the composite construction requirements of the GIPS® on a firm-wide basis and (2) designed its processes and procedures to calculate and present performance results in compliance with the GIPS® for the period December 31, 1996 through June 30, 2010. Greenfield Seitz's management is responsible for compliance with the GIPS® and the design of the processes and procedures that present the firm's performance results in accordance with the GIPS®. Beacon's responsibility is to express an opinion on Greenfield Seitz's compliance based on its verification procedures.

Beacon has completed this firm-wide GIPS® Verification in accordance with the verification procedures set forth in the GIPS®. It is Beacon's opinion that Greenfield Seitz has complied with all the composite construction requirements of the GIPS® on a firm-wide basis. Furthermore, it is Beacon's opinion that Greenfield Seitz's processes and procedures were designed to calculate and present performance results in compliance with the GIPS® for the period December 31, 1996 through June 30, 2010.

In performing the firm-wide verification addressed above, it is not Beacon's responsibility to express an opinion on any particular composite presentation. Greenfield Seitz is responsible for the production and distribution of materials presented in conformity with the GIPS®.

Beacon Verification Services

Beacon Verification Services

GREENFIELD SEITZ CAPITAL MANAGEMENT

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

Year	GSCM Composite Total Return	S&P 500 Total Return	Number of Portfolios	Dispersion %	Total Composite Assets End of Period (millions)	Total Firm Assets End of Period (millions)	Percentage of Firm Assets %
1997	17.10%	33.36%	22	6.14	$43.80	$138.69	31.6%
1998	8.94%	28.58%	22	7.66	$42.99	$165.11	26.0%
1999	15.15%	21.04%	24	6.61	$50.65	$179.31	28.2%
2000	14.81%	-9.11%	32	5.10	$63.92	$194.67	32.8%
2001	3.68%	-11.88%	36	4.53	$70.85	$201.94	35.1%
2002	-14.32%	-22.10%	37	4.25	$64.62	$172.01	37.6%
2003	28.77%	28.68%	38	6.04	$76.22	$200.36	38.0%
2004	14.79%	10.88%	45	3.59	$100.21	$231.78	43.2%
2005	16.62%	4.90%	55	4.77	$123.77	$226.25	54.7%
2006	18.85%	15.79%	61	2.94	$150.21	$267.49	56.2%
2007	7.22%	5.50%	63	2.74	$149.20	$273.20	54.6%
2008	-34.43%	-37.00%	60	3.75	$97.13	$186.79	52.0%
2009	29.17%	26.46%	55	6.15	$103.07	$197.42	52.2%
6/30/2010	-2.55%	-6.65%	53	NA	$105.11	$192.06	54.7%

Cumulative Return	171.63%	76.09%

Annualized Rate Return:	GSCM	S&P 500
Since Inception (12/31/96)	9.77%	5.94%
10 Years	6.62%	-0.95%
5 Years	4.71%	0.41%
3 Years	-3.16%	-5.63%
Worst 3-yr Period	-9.19%	-37.61%

Greenfield Seitz Capital Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Past performance is no guarantee of future results. Annualized returns are as of 12/31/2009. See important disclosures and information on page 5.