2015 YEAR END LETTER

JANUARY 26, 2016

Dear Investor,

The Greenfield Seitz Core Composite was down 1.90% (net-of-fees) last year versus +1.38% for the S&P 500 Index and -5.44% for the MSCI International Index.[1]

Economic Update

For 2015, earnings for the 500 companies comprising the S&P 500 Index are expected to fall 1% while sales should decline 2.4%.[2] The fourth quarter of 2015 will be the third consecutive quarter of declining earnings, which hasn't happened since 2009. Additionally, sales for the S&P 500 have declined five quarters in-a-row.

The U.S. dollar index is up 23% in the past two years. The strong dollar hurts companies with significant international sales (one-third of S&P 500 sales are abroad).

Consumer spending accounts for more than two-thirds of the U.S. economy. After six years of consistent growth, consumer spending was flat in the fourth quarter.[3]

China Slowdown

It seems clear that China is in an economic slowdown. GDP growth for China has been slowing for six years and Chinese exports declined roughly 10% last year (the first decline since 2009). Also, the country's recent devaluation of the Yuan and the easing monetary policy are signs of weakness.

Much of the boom in the Chinese economy was driven by globalization and moving production to cheaper countries (from higher wage countries). But Chinese wages increased (from $0.58/hr in 2003 to $3.00/hr in 2013) and much of the work that could be moved has already been moved.[4] In the U.S., manufacturing fell from 17% of GDP in 1997 to just 12% in 2009 as production was moved to China. But it has stabilized the last five years as we no longer move much production to China.[5]

The weakness in Chinese manufacturing over the past five years was masked by massive spending on housing and infrastructure. Government debt rose from 120% of GDP in 2008 to 210% last year.[6]

China is the world's largest exporter and one of the largest importers. If China continues to devalue their currency the prices of exported goods will go down and have a deflationary effect on the world economy. The slowdown in China is affecting global commodity demand as China represents 50% of global demand for copper, steel, aluminum, and coal. Copper prices are at a 7-year low and oil is at a 12-year low. This selloff hurts emerging markets that are commodity exporters.

Oil Selloff

Crude Oil fell below $30/bbl for the first time in 12 years last week. This is down 72% from its 2014 peak of $107. We initially wrote about the prospects for an oil selloff in our July 2012 letter highlighting the shale boom would lead to a decrease in prices as "global oil supply has grown 4% while demand has only grown 2.5%." Last year, OPEC helped push oil prices even lower when it raised its production to a 4-year high.

The decline in oil prices has been devastating for the energy sector. S&P Energy stocks were down 25% last year as earnings for the sector fell more than 60%. We continue to believe there will be a ripple effect in all the industries and jobs that supplied the energy sector.

Fed Begins Tightening

In December, the Federal Reserve ended seven years of near-zero interest rates by raising its benchmark rate to between 0.25% - 0.50% with a plan to raise rates gradually over the next three years to a more normal level. The move will be a test of the economy's ability to survive without the assistance from artificially low rates. In our opinion, rates should have been lifted after the 2009 recovery and now is a terrible time with economic headwinds. Zero rates for such a long period likely created asset bubbles.

FANG Stocks and Market Breadth

Facebook, **A**mazon, **N**etflix, and **G**oogle were the stars of 2015 with an average gain of 83%. Once again, we believe following the herd should lead to the mistakes of 1999 and 2008 as FANG stocks trade at a ridiculous 330 times trailing earnings. The S&P 500 would have been down last year without these four stocks.

A healthy Bull market is characterized with a broad range of stocks moving higher. We have been in a Stealth Bear market recently as 45% of the stocks in the S&P 500 are in a Bear market (decline of 20% or more) and the Russell 2000 Small Cap Index is in a Bear market. The poor market breadth may be a sign that we are in the late stages of this 7-year Bull market.

Defensive Outlook

The S&P 500 Index trades at 20.5x trailing P/E which is well above the historical average of 15.5x. As mentioned before, this rich valuation doesn't seem validated by weak earnings growth. The S&P 500 was up 72% from 2012 to 2014 and 56% of the gain came from P/E expansion as earnings grew very little. Lofty valuations combined with slowing/negative earnings growth should lead to lower stock prices.

In our experience, the credit market always leads the stock market. Junk bonds fell about 20% last year while the stock market was sitting near an all-time high. We think something is wrong with this picture.

We are in the seventh year of the Bull market and stocks seem to be losing strength as mentioned above. We are concerned that falling earnings and expensive valuations will lead to declining stock prices. When we mix this with the Fed raising rates and slowdown in China, it seems like a time to be defensive.

We have tried to position our portfolios in a defensive manner. At the time of this letter, our average portfolio has 18% cash, which is the most cash we have ever held. Cash does not give us meaningful income and our cash level hurt our returns as stocks gained the past few years. But cash can insulate investors on the downside and give us dry powder to buy when others are panicking. There are times to make money and times not to lose money. We believe this is a time not to lose money. You may recall we increased cash in 2007 and then deployed it during the 2008/09 selloff.

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 Standard & Poors. 2015
3 Bureau of Labor Statistics. 2015
4 The Boston Consulting Group. 2012
5 Bureau of Economic Analysis. 2015
6 HSBC. 2015

All company figures are from company reports or S&P.

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.

Benchmark: The S&P 500 is an unmanaged index of the shares of large U.S. companies. It includes reinvested dividends and is presented gross of fees.

Statistical Definitions: Tracking error/Standard Deviation is the square root of the variance. Beta is measure of a portfolio's volatility relative to the market. R2 is the relative predictive power of a model. Alpha is the extra return above what CAPM determines for the amount of risk taken, risk adjusted return. Excess Return is return in excess of the risk-free rate.

Custodian Transfer: On 4/1/05, GSCM changed asset custodians. There were no disruptions in performance and no trading activity during transfer.

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 – December 31, 2015 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.

ACA COMPLIANCE GROUP
PERFORMANCE SERVICES

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 December 31, 2015, and (2) designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2015. 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 December 31, 2015; and
- Designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2015.

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
January 25, 2016

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

Year	Total Return	S&P 500 %	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	3-Yr Ex-Post Standard Deviation S&P 500
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%		
2010	14.81%	15.06%	52	3.59	$116.64	$220.98	52.8%		
2011	-6.97%	2.11%	62	4.60	$229.41	$308.02	74.5%	15.96	18.7
2012	11.46%	15.99%	53	2.05	$250.49	$335.13	74.7%	13.37	15.09
2013	18.90%	32.40%	61	2.73	$240.21	$386.47	62.2%	11.9224	11.9366
2014	6.09%	13.69%	60	2.14	$228.27	$355.34	64.2%	9.27	8.98
2015	-1.90%	1.41%	67	1.65	$221.46	$329.66	67.2%	8.7475	10.4753

Cumulative Return	310.62%	292.39%

Annualized Rate Return:	GSCM %	S&P 500
Since Inception (12/31/96)	9.23%	8.92%
10 Years	4.75%	7.31%
5 Years	5.11%	12.57%
3 Years	7.36%	15.14%
Worst 3-yr Period	-9.19%	-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