

## News In Brief

### Portfolio Statistics as of 12/31/2023:

- 25 Equity investments
- 3.7% International equities
- Core portfolio average holding period 3-5 years

### Top 5 Equity Investments:

- 7.3% Microsoft
- 6.8% Costco
- 4.8% Carpenter Technology
- 4.6% Booking Holdings
- 4.4% Charles Schwab
- 27.9% Net Assets

**Blue Point's Cumulative Return**  
Since its inception on 12/31/06, Blue Point's quarterly, time-weighted return net-of-fees is **478.46%**. On a \$1,000,000 investment, the dollar value of Blue Point's Total Return net-of-fees is \$6,784,600 versus the \$4,724,464 Total Return of the S&P 500. The active manager value-add is \$2,060,137.

### Time Weighted Return as of 12/31/23:

- 1 Year Blue Point TR 26.29%
- 1 Year S&P 500 TR 24.53%
- 3 Year Blue Point TR 9.96%
- 3 Year S&P 500 TR 33.10%
- 5 Year Blue Point TR 100.56%
- 5 Year S&P 500 TR 107.21%

### Portfolio Manager

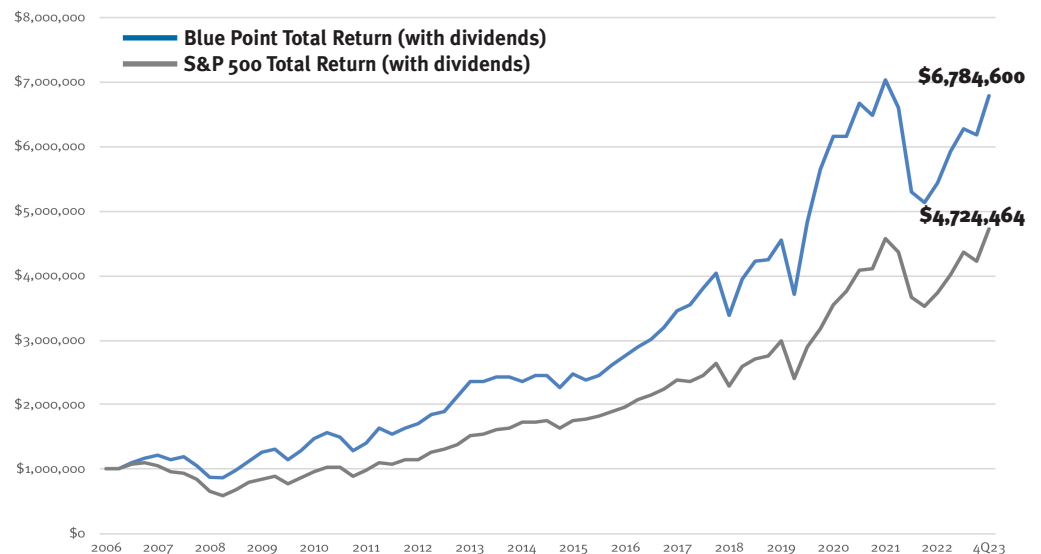
Niall H. O'Malley  
(443) 600-8050

niall.omalley@bluepointim.us  
Web site www.bluepointim.us

## Performance Summary

During the fourth quarter, Blue Point's model portfolio, applied to separately managed accounts returned 9.63% net-of-fees. The Total Return of the S&P 500, which includes dividends, was 11.69%. Blue Point's active management underperformed the benchmark by 2.06%. For 2023 Blue Point returned 24.53% net of fees, while the Total Return of the S&P 500 was 26.29%. During 2023 Blue Point underperformed the benchmark by 1.76%.

Blue Point's focus is on capital preservation with cash at 18% of the portfolio during a period of unusual political risk and a slowing global economy.



Graph footnote: Total Return (TR), includes the reinvestment of dividends.

**Disclosures:** Performance of the separate accounts can differ substantially from the performance of Blue Point's model portfolio due to timing of entry, whether account is taxable or non-taxable, and the timing of withdrawals. Returns include accrued income since 9/30/14. Past performance does not guarantee future results. The standard investment adviser fee schedule is 1.0% on the first \$3 million, 0.85% on the next \$7 million, 0.75% thereafter. There is no stated account minimum, but the relationship needs to be mutually beneficial. The investment adviser fees are negotiable and may be waived. Blue Point Investment Management, LLC, is a Maryland registered investment adviser. To receive a copy of Blue Point's ADV Part 2, call 443-600-8050.

## Market Outlook

- **Unusually High Political Risk** – The U.S. has a leadership vacuum with both leading presidential candidates unable to serve more than one term. The uncertainty of U.S. leadership and a deadlocked Congress creates opportunities for the enemies of the West. Whether a third front will open in Taiwan is not known.
- **Unusual Rates of Business Failure Expected** – “Zombie companies” are companies unable to pay their interest expense with revenue generated from operations. As interest expense and a lack of credit grow, it's expected many of these companies will be pushed into bankruptcy.
- **Slowing Economic Growth** – At both the consumer level and business level meaningful expense cuts are starting to occur while the Federal government has yet to reduce spending.
- **Deglobalization is Creating Investment Opportunities** – Manufacturing investment outside of China is growing, which is creating investment opportunities in strategically important industries.

## A Global Perspective

Blue Point Investment Management offers equity-oriented growth with a global perspective. The investment discipline seeks Growth at a Reasonable Price. Each client account is managed separately.

The Growth At a Reasonable Price (GARP) investment strategy is a blend of active growth and value investing. As a rule, value investors focus on the price of the security, the numerator of the P/E ratio, while growth investors focus on earnings offered by the security, the denominator of the P/E ratio. GARP represents a blended approach and is often referred to as a market-oriented investment strategy.

Blue Point identifies sustainable, long-term trends through macro-economic research. From there, Blue Point uses fundamental research to identify and invest in companies that stand to benefit from favorable trends. Investments are geared towards long-term value creation while preserving capital.

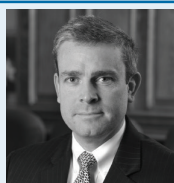
Blue Point seeks equity-oriented growth while actively managing the downside risk. Under normal circumstances, Blue Point invests at least 60% of its net assets in domestic U.S. securities. This global approach offers significant investment opportunities here and abroad. In times of market crisis,

adjustments to portfolio holdings will be made that best serve the preservation of capital while seizing investment opportunities. Cash is used as an asset class in portfolio construction.

Each separately managed account stays in the client's name providing complete transparency. Blue Point receives no commission or compensation that would create a conflict of interest. To further ensure the alignment of interests, Blue Point's portfolio manager invests in the same Blue Point model portfolio as clients.

### Blue Point's Seventeen Year Performance

|                                     | 2007   | 2008    | 2009   | 2010   | 2011   | 2012   | 2013   | 2014    | 2015  | 2016   | 2017   | 2018   | 2019   | 2020   | 2021    | 2022    | 2023   |
|-------------------------------------|--------|---------|--------|--------|--------|--------|--------|---------|-------|--------|--------|--------|--------|--------|---------|---------|--------|
| Blue Point Total Return net of fees | 23.04% | -28.78% | 44.08% | 17.26% | -4.55% | 21.69% | 37.05% | 0.12%   | 5.27% | 11.21% | 25.51% | -2.42% | 34.84% | 35.27% | 13.98%  | -22.53% | 24.53% |
| S&P 500 Total Return                | 5.49%  | -37.00% | 26.46% | 15.06% | 2.11%  | 16.00% | 32.39% | 13.69%  | 1.38% | 11.96% | 21.83% | -4.38% | 31.49% | 18.40% | 28.71%  | -18.11% | 26.29% |
| Blue Point vs. Benchmark            | 17.55% | 8.22%   | 17.62% | 2.20%  | -6.66% | 5.69%  | 4.66%  | -13.57% | 3.89% | -0.75% | 3.67%  | 1.96%  | 3.36%  | 16.87% | -14.73% | -4.42%  | -1.76% |



## The Manager's Corner

### PORTFOLIO MANAGER:

Niall H. O'Malley (pictured) is the founder and Managing Director of Blue Point Investment Management, which manages accounts on a separate account basis. Niall has an MBA from George Washington University in Finance and Investments with minors in Business Law and Taxation. All of these activities build on strong professional experience working for buy-side firms, consulting, and over seven years with a top-ten U.S. commercial bank. Prior to starting Blue Point, Niall was a Vice President of Credit & Risk Management at SunTrust Bank.

He passed Level II of the Chartered Financial Analyst examination in 2005, and holds the Series 65 License from FINRA.

Niall regularly speaks to CFA Society, university and investment groups. He served on the Board and the Program Committee of the CFA Society Baltimore for 13 years, and now serves on the Society's Advisory Board. Niall served as President of the CFA Society Baltimore from 2009-2010, and founded the Baltimore Business Review. He served as Co-Editor of the Baltimore Business Review for eight years, while being a contributor. Niall has

taught Investments and Equity Security Analysis as an Adjunct Professor at Towson University, College of Business and Economics.

### EQUITY RESEARCH INTERNS

**John Mandel** is a candidate for a Bachelor of Science in Business Administration with a concentration in Finance at Towson University.

**Joseph Pettinelli** is a candidate for a Bachelor of Science in Business Administration with a concentration in Finance at Towson University.

Additional Information is available at [www.bluepointim.us](http://www.bluepointim.us)

**Niall H. O'Malley**  
Blue Point Investment Management  
6115 Falls Road, Suite 101  
Baltimore, MD 21209  
(443) 600-8050  
[niall.omalley@bluepointim.us](mailto:niall.omalley@bluepointim.us)