

News In Brief

Portfolio Statistics as of 3/31/11:

- 32 Equity positions
- 28% International equities
- Over 45% of cash flows in the portfolio are international
- Core portfolio average holding period 3-5 years

Top 5 Equity Holdings:

- 5.1% Apple
- 5.1% FMC Technologies
- 5.0% SFN Group
- 4.9% BorgWarner
- 4.8% Deere & Company
- 24.9% % Net Assets

Blue Point value retained versus the Total Return of the S&P 500 Index

Since inception 12/31/06 Blue Point outperformed the Total Return of the S&P 500 Index by \$48,528 after advisory fee. See graph for performance detail.

Time Weighted Return as of 12/31/10:

- 1 Year Blue Point 17.28%
- 1 Year S&P 500 TR 15.06%
- 3 Year Blue Point 17.79%
- 3 Year S&P 500 TR (8.32%)

Portfolio Manager

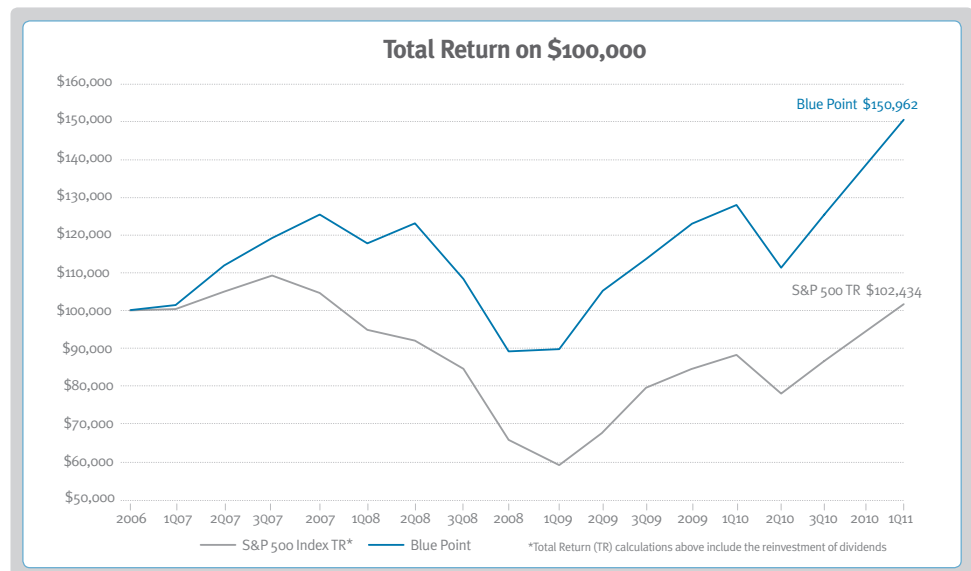
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Performance Summary

During the first quarter Blue Point Global GARP Strategies, which is based on a model portfolio applied to separately managed accounts, returned 5.13% after advisory fee. The Total Return of the S&P 500 during the first quarter was 5.92%. Blue Point's active management underperformed the Total Return of the S&P 500 by 0.79% during the first quarter.

During 2010 Blue Point Global GARP Strategies returned 17.28% after advisory fee. The Total Return of the S&P 500 during 2010 was 15.06%. Blue Point's active management outperformed the Total Return of the S&P 500 by 2.22% during 2010. Blue Point's active management seeks equity-oriented growth while seeking to minimize downside risk over the long-term.



Disclosures: Performance of the separate accounts can differ substantially from the actual performance of the Blue Point Global GARP Strategies, the model portfolio, due to timing of entry, whether account is taxable or non-taxable, and the timing of withdrawals. Past performance does not guarantee future results. The management fee schedule is as follows: 1.2% on first \$1 million, 1.0% on the next \$3 million, 0.85% on next \$5 million. Accounts under \$0.5 million are 1.5% annually. Depending on circumstance, institutional fee schedules may be negotiated. Blue Point Investment Management, LLC, is a Maryland registered investment advisor, founded in 2006. To receive a copy of the firm's Form ADV Part II, contact us at 443-600-8050.

Market Outlook

- **Margin Headwinds** – Input costs are rising and companies with pricing power will stand out during the coming earnings season. The scheduled conclusion of QE2 will remove a major purchaser of Treasuries.
- **Energy and Natural Resources** – The long-term demand picture is attractive, and real assets offer a tangible inflation hedge. The elevated price is expected to dampen growth expectations which, in turn, should reduce the demand for oil. The political component behind the elevated price of oil remains highly uncertain.
- **Japanese Earthquake** – The effects of the devastating earthquake will have unprecedented supply shocks as related

- power shortages delay its recovery.
- **Capital Expenditures** – Companies are starting to make long deferred capital expenditures. Maintenance capital expenditures cannot be deferred further as demand incrementally increases.
- **Consumer Spending** – The consumer is still challenged but there are encouraging signs. Rising food costs are a global challenge that disproportionately impacts lower incomes.
- **Emerging Markets** – Consumer demand in the emerging markets is growing. As the net creditor to the developed world the role of the emerging markets is growing; however, inflation is a significant emerging market risk.

Diversified Growth

Blue Point Investment Management offers diversified growth with a global perspective. The investment discipline seeks Growth at a Reasonable Price. Each client account is managed separately to be tax efficient over the average 3 to 5 year holding period in the core portfolio.

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.

Through macro economic research sustainable long-term trends are identified. Then fundamental research is used to identify the best companies that stand to benefit from favorable trends. Investments are geared towards long-term value creation while preserving capital. This means weathering underperformance in positions with good core

fundamentals that retain positive catalysts.

Blue Point seeks equity-oriented growth while actively managing the downside risk. The investment discipline is Growth at a Reasonable Price. 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.

Each separately managed account stays in the client's name providing complete transparency. Fidelity Investments' wholly owned National Financial Services is the primary custodian and Muriel Siebert & Co. serves as the executing broker for client accounts.

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THE MANAGER'S CORNER

A premise of Blue Point Global GARP Strategies is that the U.S. represents an unchallenged pool of intellectual capital that is benefiting from strong technology driven productivity gains. However, at the same time, the US is borrowing heavily creating the potential for dollar devaluation as the interest costs become a bigger burden.

Over 45% of the cash flows generated by companies in the portfolio are international. This allows the portfolio to participate in international

growth opportunities.

Niall H. O'Malley (pictured) is the founder and Managing Director of Blue Point Investment Management, LLC, which manages the Blue Point Global GARP Strategies on a separate account basis. Mr. O'Malley 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, Mr. O'Malley was a Vice President of Credit & Risk Management at SunTrust Bank. Mr. O'Malley passed Level II of the Chartered Financial Analyst examination in 2005 and holds the Series 65 License from FINRA.

Mr. O'Malley serves as Co-Chair of Programs for the Baltimore CFA Society which has over 600 members. He has served BCFAS as Program Chair and President. Mr. O'Malley has taught *Investments and Equity Security Analysis* as adjunct faculty at Towson University, College of Business and Economics.

Research Interns Andrea Sandoval, David Buffington

and Priyan Tudawe support the investment process by researching and presenting Company Analysis reports on designated companies. Blue Point Investment Management is an independent investment advisory that is focused on putting the client first. A copy of the firm's ADV Part II is available upon request.

Additional Information is available at www.bluepointim.us

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