

## News In Brief

### Portfolio Statistics as of 6/30/19:

- 34 Equity investments
- 2.8% International equities
- Core portfolio average holding period 3-5 years

### Top 5 Equity Investments:

- 8.0% Microsoft
- 5.6% Mastercard
- 4.5% Facebook
- 4.4% Exact Sciences
- 4.1% Twitter
- 26.6% 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 323.03%. On a \$1,000,000 investment, the dollar value of Blue Point's Total Return net of fees is \$4,230,277 versus the \$2,702,728 Total Return of the S&P 500. The active manager value-add is \$1,527,550.

### Time Weighted Return as of 12/31/18:

- 1 Year Blue Point -2.42%
- 1 Year S&P 500 TR -4.38%
- 3 Year Blue Point 36.19%
- 3 Year S&P 500 TR 30.42%

### Portfolio Manager

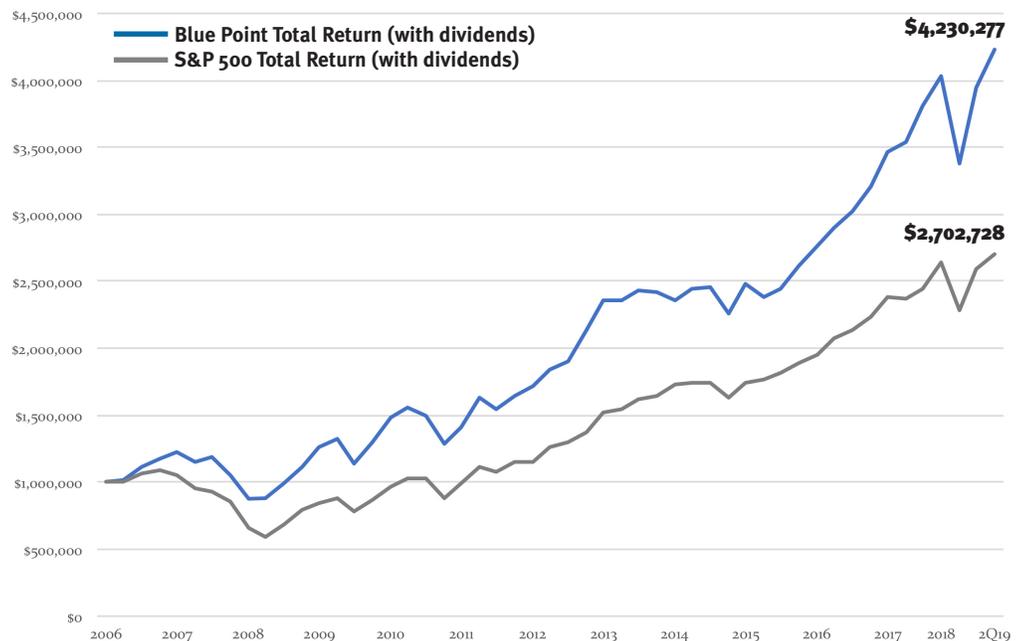
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## Performance Summary

During the second quarter, Blue Point's model portfolio, applied to separately managed accounts, returned 7.25% net of fees. The Total Return of the S&P 500, which includes dividends, was 4.30% during the second quarter. Blue Point outperformed the benchmark by 2.95%. **During the first half of 2019, Blue Point has returned 25.05% net of fees**, while the Total Return of the S&P 500 was 18.54%. During the first half of 2019, Blue Point outperformed the benchmark by 6.51%.

Healthcare investments were increased during the second quarter, which will decrease the portfolio's exposure to the economic cycle.



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

➤ **Late Cycle Growth** – The outlook for late cycle economic growth is improving. The positive byproduct of economic growth is less political division. Investing in the late cycle growth is an ongoing focus, but greater analysis is also placed on the demand profile associated with an economic downturn.

➤ **Monetary Stimulus** – The Federal Reserve has reversed course on interest rate policy. Equity markets has been lifted by the prospect of lower interest rates. Lower interest rates are giving companies more dry power to buyback shares or make acquisitions. A new risk that is developing is negative equity on corporate balance sheets.

➤ **Trade Deal with China** – The need for intellectual property rights and military ambitions are limiting the scope of a trade deal. Incremental trade resolution is possible, but the likelihood of a comprehensive trade deal has diminished. Waiting out the other administration appears to be the preferred strategy.

➤ **Productivity Gains** – The tightness of the U.S. job market is setting the stage for technology-enabled productivity gains. The U.S.' strong willingness to engage in technology-enabled creative-destruction is setting the stage for a new engine of growth.

## 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.

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.

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 Twelve Year Performance

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Blue Point Total Return net of fees</b>	<b>23.04%</b>	<b>-28.78%</b>	<b>44.08%</b>	<b>17.26%</b>	<b>-4.55%</b>	<b>21.69%</b>	<b>37.05%</b>	<b>0.12%</b>	<b>5.27%</b>	<b>11.21%</b>	<b>25.51%</b>	<b>-2.42%</b>
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%
<b>Performance vs. Benchmark</b>	<b>17.55%</b>	<b>8.22%</b>	<b>17.62%</b>	<b>2.20%</b>	<b>-6.66%</b>	<b>5.69%</b>	<b>4.66%</b>	<b>-13.57%</b>	<b>3.89%</b>	<b>-0.75%</b>	<b>3.67%</b>	<b>1.96%</b>



## 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 and continues to be 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:

**Dean Thompson** is a candidate for a Bachelor of Science in Economics with a concentration in Financial Economics at Towson University.

**Victor Nanan** 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)

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