

## News In Brief

### Portfolio Statistics as of 12/31/15:

- 28 Equity positions
- 13% International equities
- Core portfolio average holding period 2-3 years

### Top 5 Equity Holdings:

- 8.7% Amazon
- 7.3% Microsoft
- 6.6% Facebook
- 4.7% Novo-Nordisk
- 4.5% Morgan Stanley
- 31.8% Net Assets

### Blue Point's Cumulative Return

Since its inception on 12/31/06, Blue Point's time weighted return net of fees was 148.38%, nearly double the Total Return of the S&P 500 of 74.82% during the same period. On a \$100,000 investment, the dollar value of Blue Point's Total Return net of fees was \$248,382 versus the \$174,819 Total Return of the S&P 500.

### Time Weighted Return as of 12/31/15:

- 1 Year Blue Point 5.27%
- 1 Year S&P 500 TR 1.38%
- 3 Year Blue Point 44.45%
- 3 Year S&P 500 TR 52.59%

### Portfolio Manager

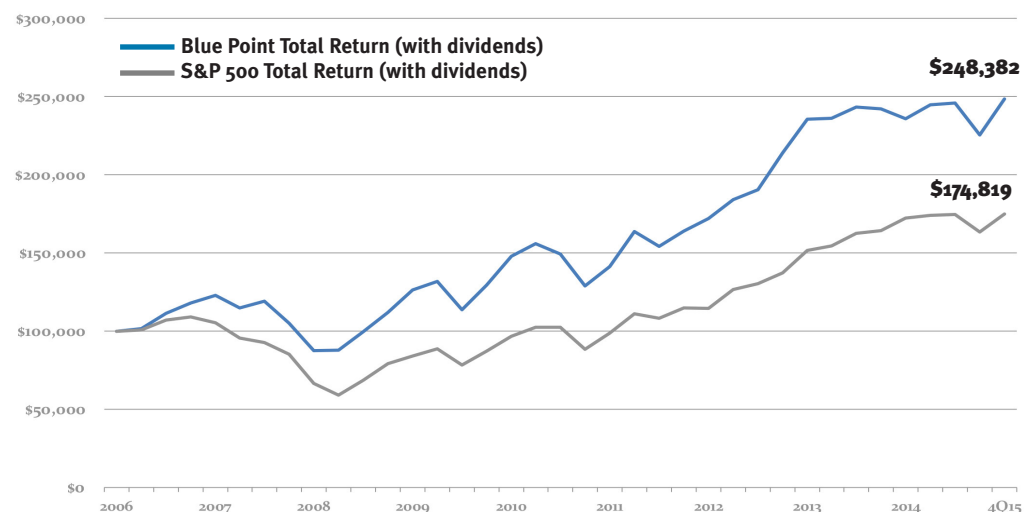
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## Performance Summary

The fourth quarter saw strong performance from Blue Point's sustainable growth approach. The Blue Point model portfolio, which is applied to separately managed accounts, returned 10.10% net of fees during the fourth quarter. The Total Return of the S&P 500, which includes dividends, was 7.04% during the fourth quarter. Blue Point outperformed the benchmark by 3.06% during the fourth quarter. During 2015, Blue Point returned 5.27% net of fees, while the Total Return of the S&P 500 was 1.38%, which means Blue Point outperformed the benchmark by 3.89%.

Blue Point year-to-date has outperformed the S&P 500 due to strong returns in consumer discretionary and technology companies. The biggest underperformances came from commodity and financial companies. The Blue Point portfolio entered 2016 with double-digit cash levels. Blue Point will be celebrating its 10th year anniversary during 2016 and will be looking for attractive opportunities to make long-term investments for clients.



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

**Disclosures:** Performance of the separate accounts can differ substantially from the actual performance of Blue Point, 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. Depending on circumstances, institutional fee schedules may be negotiated. Blue Point Investment Management, LLC, is a Maryland registered investment adviser. To receive a copy of the firm's Form ADV Part 2, call Blue Point at 443-600-8050.

## Market Outlook

**Multiple Contraction Risk** – Without the inflating effect of printed money from the Federal Reserve the Price to Earnings multiple paid for equity securities is at risk. The market is likely to harshly penalize companies that fail to meet expectations. This in turn will create opportunities to put cash to work – delayed alpha.

**Solid Consumer Discretionary Spending** – High employment levels are supporting positive consumer sentiment. Consumers are also benefiting from the stronger purchasing power of the dollar, lower energy prices, and access to consumer credit.

**Slowing Growth in China** – The transition to a consumer economy continues to be challenging for China. The decision to put the communist party before economic growth will further slow growth.

**Dominant Providers Favored** – Technology-enabled economies of scale and cheap money are allowing dominant companies to purchase “growth” while removing competitors.

## 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.

Each separately managed account stays in the client's name providing complete transparency. Blue Point receives no commissions or compensation that create conflicts of interest. To further ensure the alignment interests Blue Point's portfolio manager invests in the same model portfolio as clients. Blue Point seeks equity-oriented growth with a global perspective, while offering a portfolio manager you know and trust.

### Blue Point's Nine Year Performance

	2007	2008	2009	2010	2011	2012	2013	2014	2015
<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>S&amp;P 500 Total Return</b>	<b>5.49%</b>	<b>-37.00%</b>	<b>26.46%</b>	<b>15.06%</b>	<b>2.11%</b>	<b>16.00%</b>	<b>32.39%</b>	<b>13.69%</b>	<b>1.38%</b>
<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>



## THE MANAGER'S CORNER

### PORTFOLIO MANAGER:

Niall H. O'Malley (pictured) is the founder and Managing Director of Blue Point Investment Management, LLC, which manages accounts 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 on the Board and Program Committee for the Baltimore CFA Society which has over 600 members. He has served as President of the Baltimore CFA Society, and continues to serve as Co-Editor of the Baltimore Business Review. Mr. O'Malley has taught Investments and Equity Security Analysis as an Adjunct Professor at Towson University, College of Business and Economics.

### EQUITY RESEARCH ANALYST:

**Brian Gamble** has a Bachelor of Science in Business Management from Washington College. He completed the Alex. Brown Investment Management Program and served as a co-portfolio manager of the student-managed Alex. Brown Investment Fund.

### EQUITY RESEARCH INTERNS:

**Levar Hewlett** has completed a Graduate Certificate in Finance and Investments and is a candidate for a Master of Science in Finance at Johns Hopkins University.

**J. Connor Plasse** is a candidate for a Bachelor of Business Administration with a concentration in Finance and a minor in Economics at Towson University.

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

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