

News In Brief

Portfolio Statistics as of 6/30/15:

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

Top 5 Equity Holdings:

- 6.6% Amazon
- 5.9% Microsoft
- 5.8% Gilead Sciences
- 5.6% Morgan Stanley
- 5.5% Facebook
- 29.3% Net Assets

Blue Point's Total Return

Since its inception on 12/31/06, Blue Point's time weighted return net of fees was 145.81%, nearly double the Total Return of the S&P 500 of 74.56% during the same period. On a \$100,000 investment, the dollar value of Blue Point's Total Return net of fees was \$245,812 versus the \$174,556 Total Return of the S&P 500.

Total Return as of 12/31/14:

- 1 Year Blue Point TR 0.09%
- 1 Year S&P 500 TR 13.69%
- 3 Year Blue Point TR 66.93%
- 3 Year S&P 500 TR 74.60%

Portfolio Manager

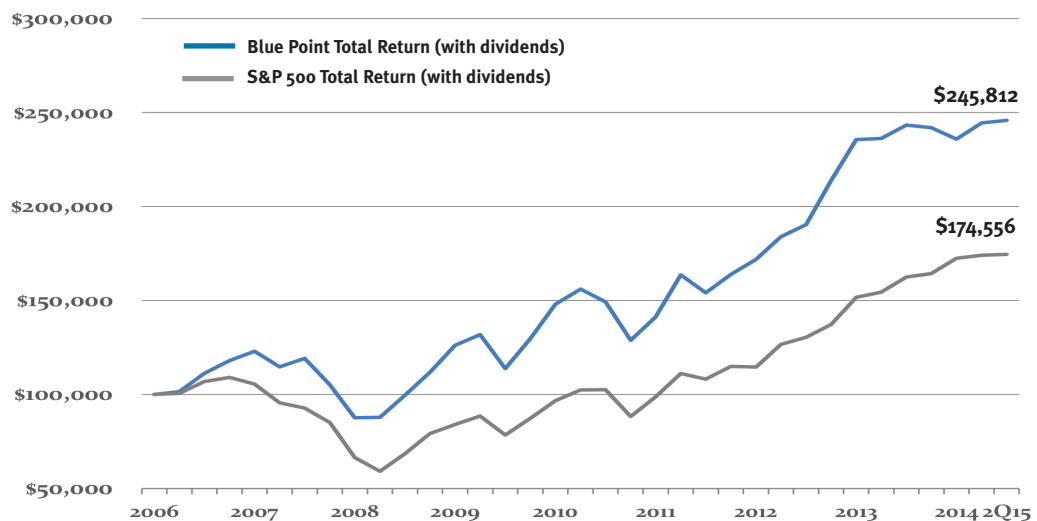
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Performance Summary

Blue Point, which is based on a model portfolio applied to separately managed accounts, returned 0.53% net of fees during the second quarter. The Total Return of the S&P 500 was 0.28% which means Blue Point outperformed the benchmark by 0.25% during the second quarter. Year-to-date, **Blue Point has returned 2.97% net-of-fees**, and the Total Return of the S&P 500 has been 1.23%. Year-to-date, Blue Point has outperformed the benchmark by 2.97%

Blue Point outperformed due to strong returns in consumer discretionary and pharmaceutical companies. The biggest underperformances came from airline and energy companies. The expanding oversupply in energy commodities is spilling over into industrial companies. **Expanding commodity-related risks following quarter-end resulted in portfolio cash levels increasing to double digit levels.**



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 advisor, founded in 2006. To receive a copy of the firm's Form ADV Part 2, contact Blue Point at 443-600-8050.

Market Outlook

➤ **Continuing Oversupply** – Chinese demand for industrial and energy commodities continues to fall. Oversupply in the commodity sector is dramatic, and the negative impact continues to spread. Could the next financial crisis be commodity based?

➤ **Running Out of Dry Powder** – There have been over 50 central bank rate cuts year-to-date, and based on current trends, central bank rate cuts are expected to exceed any year since the financial crisis. Global economic growth is elusive.

➤ **Strong Dollar** – The Federal Reserve's commitment to raise interest rates is creating a strong dollar, strengthening U.S. consumer purchasing power. On a net basis, U.S. consumers stand to benefit.

➤ **Dominant Providers Favored** – Technology enabled economies of scale and cheap money allowing dominant companies to purchase "growth" while removing competitors.

A Global Perspective

Blue Point seeks equity-oriented growth with a global perspective, while offering you a portfolio manager you know and trust. The investment discipline seeks Growth at a Reasonable Price (GARP), and each client account is managed separately.

The 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 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 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 model portfolio as clients.

Blue Point's Eight Year Performance

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|---------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Blue Point Total Return net of fees | 23.04% | -28.78% | 44.08% | 17.26% | -4.55% | 21.69% | 37.05% | 0.09% |
| S&P 500 Total Return | 5.49% | -37.00% | 26.46% | 15.06% | 2.11% | 16.00% | 32.39% | 13.69% |
| Performance vs. Benchmark | 17.55% | 8.22% | 17.62% | 2.20% | -6.66% | 5.69% | 4.66% | -13.60% |



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. He has an MBA from George Washington University in Finance and Investments with minors in Business Law and Taxation. Prior to starting Blue Point Mr. O'Malley worked for buy-side firms, consulted and worked for a top ten U.S. commercial bank. He 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:

Matthew Appelbaum is a candidate for a Bachelor of Science in Business Administration with a concentration in Finance at Towson University.

Stefan Bordonaro is a candidate for a Bachelor of Science in Molecular Biology, Biochemistry

and Bioinformatics with a concentration in Molecular Biology at Towson University.

James Brady is a candidate for a Bachelor of Business Administration with a concentration in Management at Towson University.

Mengjia (Annie) Lu is a candidate for a Master of Science with a concentration in Finance at Johns Hopkins University.

Additional information is available at www.bluepointim.us