

## News In Brief

### Portfolio Statistics as of 12/31/19:

- 34 Equity investments
- 3.0% International equities
- Core portfolio average holding period 3-5 years

### Top 5 Equity Investments:

- 8.8% Microsoft
- 5.9% Mastercard
- 4.5% Charles Schwab
- 4.4% Facebook
- 4.3% MarketAxess
- 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 356.14%. On a \$1,000,000 investment, the dollar value of Blue Point's Total Return net of fees is \$4,561,448 versus the \$2,997,929 Total Return of the S&P 500. The active manager value-add is \$1,563,519.

### Time Weighted Return as of 12/31/19:

- 1 Year Blue Point TR 34.84%
- 1 Year S&P 500 TR 31.49%
- 3 Year Blue Point TR 65.14%
- 3 Year S&P 500 TR 53.17%
- 5 Year Blue Point TR 93.32%
- 5 Year S&P 500 TR 73.86%

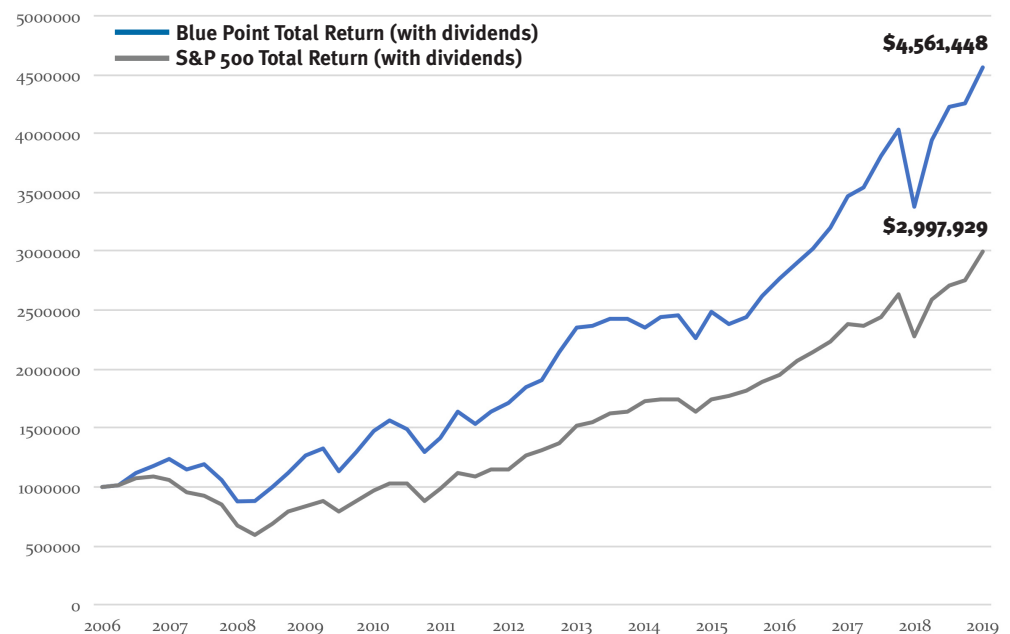
### Portfolio Manager

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

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

## Performance Summary

Blue Point generated strong gains for clients in 2019, returning 34.84% net of fees while the Total Return of the S&P 500 was 31.49%. For 2019, Blue Point outperformed the benchmark by 3.36%. During the second half of the year, a 9% cash position was built, which caused under performance. During the fourth quarter, Blue Point's model portfolio, applied to separately managed accounts, returned 7.08% net of fees. The Total Return of the S&P 500, which includes dividends, was 9.07%. Blue Point underperformed the benchmark by -1.99% during the fourth quarter.



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

➤ **Continued Consumer Confidence** – Full employment, consumer confidence and cheap credit are driving strong consumer spending. The downturn in manufacturing, trucking, rail, and energy means important drivers in the economy have been sidelined. Business investment continues to weak.

➤ **More Money, Printing, and Debt** – Cheap debt has encouraged consumers, corporations, and governments to excessively use debt to fund spending. This compromises balance sheets and is increasingly creating negative equity as public companies buy overvalued shares. Cheap debt is quietly sowing the seeds for future inflation.

➤ **Trade Deals Remove Risk** – An enormous amount of uncertainty was created by the China trade dispute. A positive byproduct is that the U.S. supply chain is becoming more global. More clarity is helping investor confidence.

➤ **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.

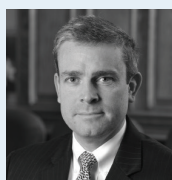
Blue Point seeks equity-oriented growth while actively managing the downside risk. Under normal circumstances, Blue Point invests at least 60% of its net assets in domestic U.S. securities. This global approach offers significant investment opportunities here and abroad. In times of market crisis,

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 Thirteen Year Performance

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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%
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%
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%



## 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:

**Kyle Gower** is a candidate for a Bachelor of Business Administration with a concentration in Economics and Finance at Loyola University Maryland.

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

**Shuai Shao** is a candidate for a Master of Quantitative Finance at the University of Maryland.

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)