



At the intersection of **value & quality** we find
opportunity.

TWO POINT



CAPITAL MANAGEMENT



Two investment strategies
that have stood the test of time

At the intersection:

One new & powerful approach to

*Value +
Quality*

managing your money

The Two Point Investment Approach is based on the synergy created when the concepts of value and quality are both applied to investing in stocks.

To qualify for a Two Point Portfolio, companies must have the qualities most relevant to long-term growth—qualities recognized and rewarded over time by investors—and be selling at a price below their current value.

We're redefining value investing.

Robust and Flexible : what changing markets demand

Leveraging both value (underpriced stocks) and quality (a sophisticated appraisal of a company's potential for success) creates a robust investment style designed to be effective in changing economic and stock market conditions.

Aggressive Execution : focus on continuous improvement

A Two Point Portfolio contains stocks that, based on their quality, we would be comfortable holding for many years. But we don't. We aggressively execute the Two Point Approach by consistently replacing existing stocks with new opportunities that offer lower valuations relative to their quality. Those opportunities don't come up every day. But when they do, we never hesitate. It's how we take a robust, innovative approach and make it even stronger.

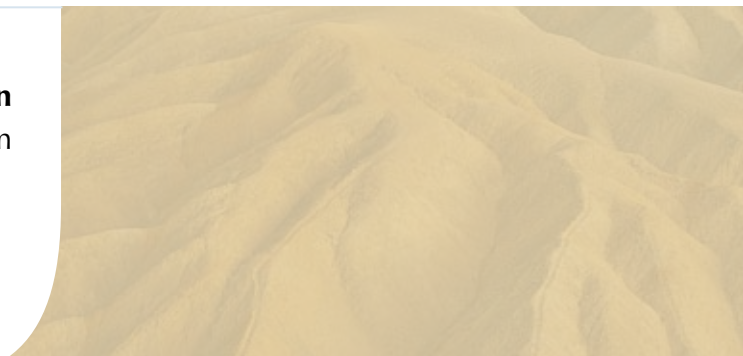
Refined Methodology : thinking smarter all the time

The Two Point Approach is an investment style developed and refined over many years by Jack McGowan, a 20-year portfolio manager, Chartered Financial Analyst, and founder of Two Point Capital Management.

Two Point
Capital Management

Contact us for an initial consultation

585.586.5529 | www.TwoPointCapital.com



Two Point Approach : Is It Right for You?

Individualized money management with Two Point Capital brings many advantages. You choose a specific investment strategy. You get to know your portfolio manager. You're confident that your funds are being managed as promised.

Because compensation is fee-based, you're assured that investments are chosen solely for their merit, not because of sales commissions or other biases. Our only loyalty is to you and the growth of your money.

But working with Two Point Capital Management is not for everyone. Individual investors who will realize the most benefit from this relationship:

- Prefer to delegate investment management to a portfolio manager rather than handle it themselves
- Are confident about their ability to choose a portfolio



manager, based on trust in the investment approach, for a long-term relationship

- Have a significant desire to see their funds grow
- Are comfortable with an investment approach that can include a high level of trading activity
- Are able to invest at least \$100,000

Three Investment Strategies : tailored to risk tolerance

When we meet with you, we will complete a detailed assessment of your investment objectives, financial circumstances and risk tolerance to determine if the Two Point Approach is appropriate for you. Then we address which of our three distinct strategies, each grounded in the Two Point Investment Approach, is the best fit.

Strategy 1 : All Equity

This is our cornerstone strategy. All Equity portfolios are comprised of 15 to 35 equities and frictional cash (defined below). The objective of this strategy is to outperform the broad stock market as measured by a full market cycle of the Russell 3000 Index. We manage each portfolio to maintain balance among stocks of different size, industry and quality levels. The purchase and sale of investments are executed aggressively and may generate significant trading activity, which may occur in intense bursts as dictated by market conditions and portfolio composition. It is expected that annual portfolio turnover will be between 50 and 200 percent.

Strategy 2 : Equity + Fixed Income

Equity + Fixed Income portfolios contain equities and bonds. The equity portion is managed under our All Equity

strategy (above). To reduce volatility and risk, 20 to 80 percent of the portfolio (depending on client needs) is comprised of U.S. government bonds held until maturity.

Strategy 3 : Concentrated Aggressive Equity

Concentrated Aggressive Equity portfolios are comprised of a very small number of equity positions and frictional cash (defined below). The objective of this strategy is to significantly outperform the broad stock market as measured by a full market cycle of the Russell 3000 index. By limiting investments to a small number of large positions, this strategy contains substantial security-specific risk. Strong or weak performance by a single investment will have a considerable impact on investment returns.

Frictional Cash under the Two Point Approach

As a result of the simultaneous focus on valuation, quality and portfolio composition, cash positions are "frictional." This means that money market holdings are not targeted to be a certain percentage of assets managed, but are the result of a management process focused on other aspects of the portfolio. As a result, money market holdings, like equity holdings, may change rapidly and with significant swings.



One inventive and inspired portfolio manager with a passion for performance



Jack McGowan has 20 years experience as a portfolio manager and equity analyst and is a Chartered Financial Analyst® (CFA®) who has worked for a number of investment management firms. He also worked for several years as a consultant to public companies, gaining invaluable knowledge about the considerations companies weigh as they present themselves to investors.

Jack served two years as President of the Rochester Society of Security Analysts (now CFA Society of Rochester), and an additional eight years as a board member. He is a member of CFA Institute (formerly Association for Investment Management Research or AIMR).

Jack has managed funds solely under the Two Point Capital Approach since 1999.

“You can’t outperform the market by doing what everyone else does. You have to think—and act—differently.” — Jack McGowan

Two Point Capital Performance

Two Point Capital Management, Inc. is an independent, registered investment advisor. Our most recent performance report is available upon request. Our performance is audited by an independent, certified public accounting firm.

Are We the Right Fit?

We look forward to an initial consultation about your financial goals. We invite your inquiry by phone or email. For more information, visit our web site at www.TwoPointCapital.com.

the value
of quality

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4 South Main Street
Pittsford, New York 14534
phone: 585.586.5529
fax: 585.586.0091

TwoPointCapital.com