

# BLUEPRINT

INVESTMENT PARTNERS

## **Part 2A of Form ADV: Firm Brochure March 27, 2019**

### **BLUEPRINT INVESTMENT PARTNERS LLC**

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This brochure provides information about the qualifications and business practices of Blueprint Investment Partners LLC. If you have any questions about the contents of this brochure, please contact us at (336) 609-7522 or [brandon.langley@blueprintip.com](mailto:brandon.langley@blueprintip.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Blueprint Investment Partners, LLC (CRD #170196) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Blueprint Investment Partners LLC is an investment adviser registered with the SEC. Registration does not in any way constitute an endorsement by the SEC of an investment adviser's ability. Moreover, registration does not imply that a registered adviser has achieved a certain level of skill, competency, expertise or training in providing professional advisory services to its clients.

***Item 2           Material Changes***

This Form ADV Part 2A brochure (the “Brochure”) is a document which Blueprint Investment Partners LLC (the “Adviser”, “us”, or “we”) provides to its clients as required by SEC Rules.

The purpose of Item 2 of the Brochure is to provide clients with a summary of new and/or updated information that is contained in the remainder of the Brochure since the filing of the previous annual amendment, dated March 29, 2018.

- Blueprint Investment Partners added language under Item 14 to indicate it maintains a solicitor relationship that receives compensation for client referrals.

You may also obtain a copy of our Brochure by contacting Brandon Langley, Chief Compliance Officer, by phone at (336) 609-7522, or by email at [brandon.langley@blueprintip.com](mailto:brandon.langley@blueprintip.com).

Additional information about Blueprint Investment Partners is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ***Item 4            Advisory Business***

### **General Information**

Blueprint Investment Partners LLC (hereinafter referred to as “Blueprint”) is a fee-only asset manager providing sub-advisory services to registered investment advisors (“RIAs”) and brokerage service providers (referred to collectively as “the client”). Blueprint was organized in December of 2013 by Jon Robinson and Brandon Langley, who continue to be the majority owners. Its principal place of business is Greensboro, North Carolina.

### **History and Advisory Services**

Blueprint’s beginning goes back to the early 2000’s when Jon Robinson and Brandon Langley, having a shared appreciation for rules-based investing, began developing systematic trading strategies. After researching these techniques and developing a process of their own, Jon and Brandon launched Robinson-Langley Capital Management, LLC (“RL Capital”) in 2006, a Commodity Trading Advisor (CTA) and Commodity Pool Operator (CPO). In 2007, RL Capital launched its first managed futures investment program for outside clients.

After managing through the 2008-2009 financial crisis, RL Capital was asked in 2009 by one of its early RIA clients to launch a single manager fund, also using futures contracts. Shortly thereafter, Jon and Brandon also began researching how to apply their techniques to Exchange Traded Funds (ETFs) and Mutual Funds. In 2011, their first ETF strategy was launched on a white label basis for an RIA based in Louisville, Kentucky.

In 2013, Jon and Brandon made the decision to launch Blueprint to serve financial advisors and institutions. Tommy Mayes joined as an equity partner in 2016. In 2017, Blueprint became compliant with Global Investment Performance Standards (GIPS) and in 2018 became GIPS verified.

Blueprint provides asset management services in two ways. On a discretionary basis Blueprint will implement its strategy directly, and place trades in the client’s separate account. On a non-discretionary or consulting basis, Blueprint will communicate allocation models to the primary advisor who will then execute trades. As part of its consulting services, Blueprint will also provide recommendations on fund holdings not necessarily utilized in Blueprint Strategies.

### **Sub-Advisory Services**

Blueprint provides discretionary sub-advisory services to investment advisors and brokerage service providers. When providing such services, Blueprint will enter into a separate, written sub-advisory agreement with each advisor or broker. Subject to Blueprint’s written approval, the client may be able to place a variety of restrictions on Blueprint’s discretionary investment activity, including restrictions on the term of investments, the types of securities permitted, the credit ratings allowed, and the liquidity of the account. Clients may change these restrictions upon written notice to Blueprint and such changes are only effective once acknowledged in writing by Blueprint.

In providing sub-advisory services to its clients, Blueprint employs various proprietary investment strategies (“Investment Strategies”) for the portfolios over which it has been delegated discretionary authority (each, a “Portfolio”). Blueprint works with each client to determine which Investment Strategy or Strategies will achieve the objectives of a particular Portfolio.

### Consulting Services

Blueprint also provides certain generalized (*i.e.*, not provided with respect to any specific client or client account) non-discretionary investment services with respect to the assets managed by another investment adviser (“Consulting Services”).

### Investment Philosophy

All Blueprint Strategies share the following core characteristics:

- Focus on Price – Blueprint believes that the established market value of the asset reflects all relevant information in the market.
- Systematic and Rules-Based – Blueprint believes in designing systematic processes and following the rules in a disciplined manner. We utilize systematic trend following methodologies both as a means to mitigate risk and as a dynamic asset allocation engine, which is in our opinion the best approach to consistently take advantage of opportunities and sidestep risks.
- Transparent and Understandable – Blueprint uses basic factors that are designed to provide persistent returns and effective risk management.
- Diversification – Blueprint believes in harnessing the value of non-correlation between asset classes where available.
- Client-Friendly – Blueprint believes that investment strategies must be tax-efficient and be sensitive to investor behavior.

### The Strategies

Blueprint currently offers 4 primary strategies – Growth, Moderate Growth, Balanced, and Conservative. The strategies are globally diversified, having the following asset classes:

- US Equity
- Foreign Developed Equity
- Emerging Market Equity
- Real Estate
- US Bonds
- Global Bonds
- Inflation-Protected Bonds (TIPS)
- Diversified Managed Futures

Each asset class has a target weight that is shifted based on Trend Following or Momentum-based factors focused solely on the price of the asset. The extents to which asset class allocations are shifted depend on another macro-level setting for each strategy:

- The Strategic Component
- The Tactical Component

This excludes the Diversified Managed Futures allocation, which remains constant due to its use of trend following tactics within the fund itself.

The Strategic component is the portion of the strategy that remains static for each asset class. The strategic allocation aligns with the client's objectives for the particular strategy. Alternatively, the Tactical component is the segment of the strategy allowed to shift based on Blueprint's proprietary Trend Following techniques. Adjusting these two components creates multiple sub-strategies that can be catered to the client's needs. Strategies with a higher tactical component are designed to be less correlated with the overall market direction, particularly during bear markets.

### Strategy Applications

Blueprint seeks to provide strategies that can serve as the diversified core allocation or as a liquid alternative sleeve allocation. Utilizing Blueprint as a core solution, the primary advisor then can focus on the selection of satellite investments to tilt the portfolio in a certain direction as desired. As a liquid alternative allocation, the Blueprint Strategies blend with the rest of the client portfolio during equity bull markets, but also adapt to provide non-correlation and a volatility buffer during equity bear markets. Our investment process seeks to eliminate the performance drag that can occur in bull markets with traditional alternatives, without losing the downside protection typically sought with liquid alternatives.

### Where to Access Blueprint

Blueprint offers its strategies on various broker-dealer and advisory service platforms including Investnet, Schwab Managed Account Marketplace, TD Ameritrade Separate Account Exchange, Pershing Managed Connect, Sawtooth Solutions and others. For a full list please contact us or visit [www.blueprintip.com](http://www.blueprintip.com).

### Client Assets

As of March 2019, Blueprint had \$208,226,421.00 in assets under management, of which \$143,656,686.00 was discretionary and \$64,569,734.68 was non-discretionary.

## ***Item 5 Fees and Compensation***

### Sub-Advisory Fees

For its services as a sub-advisor to investment advisors and brokers, Blueprint charges a negotiable Sub-Advisory Fee (the "Fee") not exceeding 0.55% of assets under management annually. The Fee arrangement is established directly with the client within the Investment Advisory Agreement or is established by the platform provider (e.g. Investnet). The Fee may be billed and payable in arrears or in advance on a monthly or quarterly basis.

## Consulting Fees

For its Consulting Services, Blueprint generally receives an annual fixed fee that is paid pro-rata in advance on a monthly basis.

## Other Fees

Blueprint does not receive any consideration or fees beyond those paid by the client. Fees paid to Blueprint are exclusive of all custodial and transaction costs paid to the client's custodian, brokers, or other third-party consultants. Please see Item 12 below for additional information. Fees paid to Blueprint are also separate and distinct from the fees and expenses charged by mutual funds, ETFs or other investment pools (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

### ***Item 6 Performance-Based Fees and Side-By-Side Management***

Blueprint does not charge performance-based fees. The fees charged by Blueprint are based solely upon the applicable client's assets under management.

### ***Item 7 Types of Clients***

#### Sub-Advisory Services

Blueprint provides sub-advisory services to RIAs and brokerage service providers. There is no minimum amount for a Portfolio; however, clients are generally expected to allocate an aggregate of at least \$10 million to Blueprint.

### ***Item 8 Methods of Analysis, Investment Strategies and Risk***

#### Methods of Analysis and Investment Strategies

As described above, Blueprint builds its strategies by first establishing diversified portfolios matching the needs of clients across various investment time horizons. It then overlays a set of rules using the asset price as the driver. Prices are monitored daily, but rules are executed at month-end for existing accounts and intra-month for new accounts. Execution of these rules allows the portfolio to tilt toward stronger performing assets and away from weaker segments.

The rules use average prices over multiple timeframes to reduce the impact of any one set of conditions. The first timeframe, considered long-term, is designed to capture trends over months and years, should they persist. The second is considered intermediate and captures trends over weeks and months. Focusing on longer rather than shorter trends improves after-tax performance by holding winning trades for longer periods and exiting losing trades quickly. This design also provides value to advisors and their clients by reducing excess trades and statement activity.

Investing in securities involves the risk of loss that clients should be prepared to bear.

## Risks

Blueprint invests its clients' assets in ETFs and Mutual Funds. All investment portfolios are subject to risks. Accordingly, there can be no assurance that clients will meet their investment objectives and goals, or that investments will not lose money.

Certain material risks to which the client's assets may be subject are discussed below.

**Management Risks.** While Blueprint manages assets based on its experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Blueprint allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that the Blueprint's specific investment choices could underperform their relevant benchmarks.

**Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.** Blueprint will invest client portfolios in mutual funds and ETFs. Investments in pooled investment funds are often less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

**Risks Related to Alternative Investment Vehicles.** From time to time and as appropriate, Blueprint may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective managers. When the investment objectives and strategies of a manager are out of favor in the market or a manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the managers make unsuccessful investment decisions at the same time.

**Equity Market Risks.** Blueprint may invest portions of client assets directly into equity investments, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (*e.g.*, bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

**Fixed Income Risks.** Blueprint may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in

bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

**Risks Associated with Electronic Trading or Order Routing Systems.** Trading through an electronic trading or order routing system creates risks associated with system or component failure. In the event of system or component failure, Blueprint may not be able to enter new orders, execute existing orders, modify or cancel orders that were previously entered or determine the status of existing orders. This could result in financial losses to clients.

The foregoing risks are just some of the most significant risks that may apply to a client's investments. Clients should understand that investing in any securities, involves a significant risk of loss of both income and principal and that they should be prepared to bear such losses. Investment safety and satisfactory performance is in no way guaranteed and no incremental protections are offered via an investment account with Blueprint.

***Item 9 Disciplinary Information***

Neither Blueprint nor any of its owners or employees has reportable disciplinary events.

***Item 10 Other Financial Industry Activities and Affiliations***

As discussed above, the primary co-owners of Blueprint, Mr. Robinson and Mr. Langley, are also the co-owners of Robinson-Langley Capital Management, LLC, which is a commodity pool operator and a commodity trading advisor. Mr. Robinson also serves as an investment adviser representative of Bluegrass Capital Advisors LLC.

Blueprint may enter into a written agreement with a third-party investment adviser pursuant to which Blueprint may refer clients to that third-party investment adviser for a fee. This compensation for referrals could create a conflict of interest in Blueprint recommending one third-party adviser over another, however Blueprint will only refer a client to a third-party investment adviser if it believes that such referral is in the best interest of the client.

***Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Blueprint has established and implemented a Code of Ethics (or "Code") designed to educate all employees of its detailed ethical standards and prohibition of fraudulent, deceptive or manipulative conduct.

Blueprint and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code. As a fiduciary, Blueprint will act at all times in its clients' best interests and will avoid or disclose any actual or potential material conflicts of interests. Blueprint's Code of Ethics emphasizes and implements these fundamental principles.

Blueprint's Code of Ethics includes prohibitions against the use of material non-public information. Employees are prohibited from trading for themselves or others in any security while in possession of material nonpublic information as well as communicating that information to anyone else. The Code of Ethics also covers the Blueprint's policy on giving or receiving gifts and entertainment in a business setting, as well as protecting the confidentiality of client information and Blueprint's Privacy Policy.

The Code of Ethics also sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Blueprint's associated persons may invest in the same securities recommended to clients. Under the Code of Ethics, Blueprint has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code of Ethics' personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code of Ethics also provides for disciplinary action as appropriate for violations.

A copy of this Code of Ethics is available upon request to any client or prospective client. Requests should be directed to Brandon Langley, Chief Compliance Officer and Managing Partner of Blueprint, at [Brandon.Langley@blueprintip.com](mailto:Brandon.Langley@blueprintip.com).

Blueprint may recommend clients invest in a Fund managed by a related person or a Fund to which Blueprint provides sub-advisory services. This may create a potential conflict of interest because Blueprint could directly or indirectly receive a greater amount of compensation if the client invests in such a Fund. To the extent that assets for which Blueprint receives an advisory fee are invested in such a Fund, it will waive its advisory fees for such assets and such assets will only be subject to the fees normally charged by the applicable Fund including any Sub-Advisory Fees.

### ***Item 12 Brokerage Practices***

When given discretion to select the brokerage firm that will execute orders in client accounts, Blueprint seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided, and commission rates. In most cases the client chooses the custodian and clearing firm. Regardless, it is Blueprint's practice to seek the lowest cost implementation of our strategies, including trade and management fees. Blueprint may use or recommend the use of brokers who do not charge the lowest available commission in recognition of other services factors, including quality of execution, technology available and reporting quality.

#### **Aggregation of Clients' Orders**

Blueprint may aggregate securities sale and purchase orders for clients with similar orders being made contemporaneously for other accounts managed by it if, in Blueprint's judgment, aggregation is reasonably likely to result in an overall economic benefit to all of the accounts involved or at least result in no detriment to the accounts involved.

### ***Item 13 Review of Accounts***

Blueprint will periodically review each client's account(s) and on an as-needed basis. These reviews generally will be conducted by one or more of its Managing Partners.

Account custodians are responsible for providing monthly account statements which reflect the positions (and current pricing) in each client's account as well as transactions in each client's account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. Blueprint will provide additional written reports as needed or requested by the client.

#### ***Item 14 Client Referrals and Other Compensation***

Blueprint has a relationship with a firm that may refer clients to Blueprint in exchange for a referral fee. If a client is introduced to Blueprint by either an unaffiliated or an affiliated solicitor, Blueprint may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Blueprint's investment management fee and will not result in any additional charge to the referred client.

#### ***Item 15 Custody***

Blueprint does not have actual or constructive custody of its clients' funds and all clients' funds and securities are held at a qualified third-party custodian. To the extent it has custody of a client's assets, Blueprint will send such client a quarterly statement outlining its fee calculation before the debit of its fee is made. These statements and the statements received from each client's custodian should be carefully reviewed by the client. Clients should contact Blueprint directly if they believe that there may be an error in their statement.

Currently, Blueprint does not have custody over any of its clients' assets.

#### ***Item 16 Investment Discretion***

Clients engaging Blueprint to provide sub-advisory services generally hire it to provide discretionary asset management services, in which case it places trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Such clients generally execute a sub-advisory agreement, which allows Blueprint to determine the securities to buy or sell and/or determine the amount of the securities to buy or sell in its discretion. As discussed above, Blueprint may allow such clients to place various restrictions on its choice of allowable investments.

In non-discretionary accounts, we make periodic recommendations to clients regarding the securities to be purchased or sold and the size of those transactions.

#### ***Item 17 Voting Client Securities***

Blueprint has adopted policies and procedures with respect to the voting of proxies relating to securities held in client accounts. If a client delegates responsibility for voting proxies to Blueprint, the firm will evaluate and vote proxies in a manner consistent with the client's best interests. When requested to vote proxies, Blueprint will act in the best interest of the client and

vote in a manner that it determines best serves the interest of maximizing shareholder value for all clients. The policy of Blueprint is to vote all proxies from a specific issuer the same way for each client absent qualifying restrictions from a client.

Blueprint's clients are permitted to place reasonable restrictions on its voting authority in the same manner that restrictions are applied to all other aspects of account investment as dictated through the client's unique investment policy. Further, there may be times when Blueprint's management determines that refraining from voting a proxy is in a client's best interest, such as when the cost of voting a proxy exceeds the expected benefit to the client.

If Blueprint determines that a material conflict of interest exists in voting a proxy, then it will review the matter with the client, who will then together determine whether to direct the affected client to vote their proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.

Clients may obtain information regarding how Blueprint voted their proxies, and/or request a copy of the firm's Proxy Voting Policies & Procedures, by contacting Brandon Langley, Chief Compliance Officer and Managing Partner of Blueprint, at [Brandon.Langley@blueprintip.com](mailto:Brandon.Langley@blueprintip.com).

Currently, Blueprint does not vote proxies for any of its clients.

#### ***Item 18      Financial Information***

Blueprint does not solicit or accept prepayment of more than \$1,200 in fees per client, six months or more in advance. Blueprint currently does not have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.