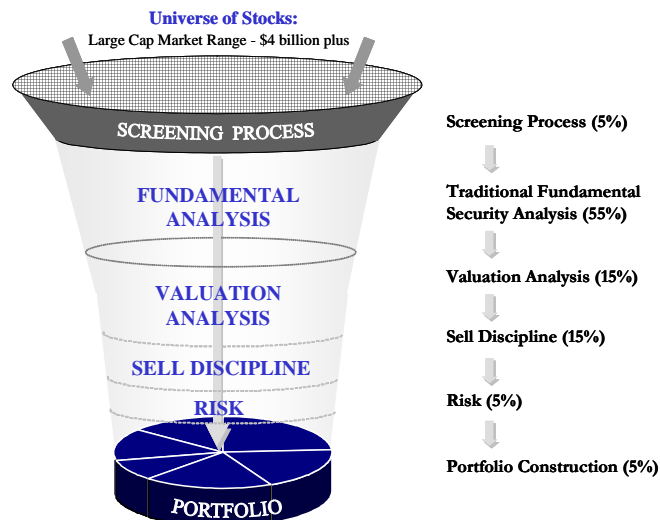


## LARGE CAP VALUE EQUITY MANAGEMENT

### Philosophy, Strategy & Process

- We use a business person's approach to investing
- Require a three to five year time-horizon
- Do intensive in-house fundamental analysis. Look for a change in business momentum
- Determine intrinsic value based on very conservative inputs to a discounted free cash flow model, including a 20% "margin of safety" deduction at end of process
- Construct concentrated portfolios
- Have low turnover



### Performance\* – 4<sup>th</sup> Quarter 2009

Total Returns (%)				
	ICM –Gross of fees	ICM – Net of fees	S&P 500 Index	Russell 1000® Value Index
4 <sup>th</sup> Quarter	5.91	5.68	6.04	4.22
2009 Year	33.86	32.69	26.46	19.69
3 Years	-3.82	-4.68	-5.63	-8.96
5 Years	0.37	-0.53	0.42	-0.25
10 Years	2.92	2.00	-0.95	2.47
Since Inception*	11.98	10.99	9.73	10.11

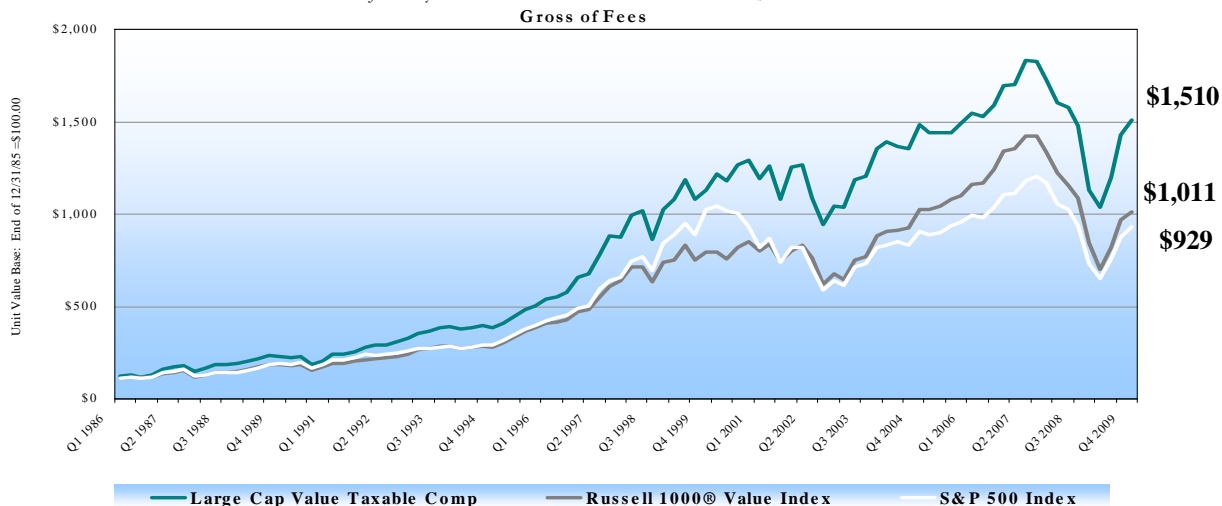
Calendar Year Performance (%)				
Year	ICM –Gross of fees	ICM – Net of fees	S&P 500 Index	Russell 1000® Value Index
2009	33.86	32.69	26.46	19.69
2008	-34.74	-35.64	-37.00	-36.85
2007	1.91	1.01	5.49	-0.17
2006	13.79	12.89	15.80	22.25
2005	0.62	-0.28	4.91	7.05
2004	9.75	8.85	10.88	16.49
2003	29.48	28.58	28.68	30.03
2002	-16.67	-17.57	-22.06	-15.52
2001	-3.17	-4.07	-11.93	-5.59
2000	14.22	13.32	-9.10	7.01

\*Inception date: January 1986. See disclosures on reverse side.

### Large Cap Value Taxable Composite

Cumulative Portfolio Returns versus Market Indices

January 1986 - December 2009 - Growth of \$100



Source: Factset

For a composite presentation that has been prepared in compliance with the GIPS® standards, please contact

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410-539-3838 or Email: michael.harrington@icomd.com

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## Model Portfolio Highlights

Sector Weightings - % of Portfolio				Characteristics				Top Ten Common Stock Holdings	
Sector	ICM	S&P 500 Index	Russell 1000® Value	Characteristics	ICM	S&P 500 Index	Russell 1000® Value	Holding	Portfolio Weight
Consumer Discretionary	16.98	9.58	9.85	Wtd Avg Mkt Cap (\$bil)	\$64.3	\$80.7	\$68.3	Berkshire Hathaway Inc. (Cl B)	6.44
Consumer Staples	10.63	11.36	5.50	Price/Earnings Ratio*	18.66x	18.69x	17.19x	Apache Corp.	3.74
Energy	11.18	11.54	18.55	P/E using FY1 est.*	16.23x	16.06x	15.11x	Cisco Systems Inc.	3.72
Financials	16.58	14.38	24.10	P/E using FY2 est.*	13.86x	13.94x	13.14x	Intel Corp.	3.71
Health Care	15.39	12.63	9.14	Price/Book*	2.18x	2.18x	1.53x	Coca-Cola Co.	3.70
Industrials	7.93	10.25	10.73	Est. 3-5 Yr EPS Growth	11.23%	10.48%	8.52%	Costco Wholesale Corp.	3.21
Information Technology	18.12	19.85	5.22	Hist 3 Yr EPS Growth	1.78%	9.02%	3.98%	Best Buy Co. Inc.	3.19
Materials	--	3.60	4.14	Dividend Yield	1.74%	2.16%	2.64%	TJX Cos.	3.19
Telecommunication Services	3.19	3.16	5.70	<i>*Weighted harmonic average</i>				Accenture Plc	3.18
Utilities	--	3.65	7.07					Whirlpool Corp.	3.18
								% of Portfolio	37.27%

Source: Factset Portfolio Analysis

Portfolio holdings are as of a specific point in time, are subject to change and should not be considered as investment recommendations to buy individual securities.

The ICM Large Cap Value Model Account is being used as a representative portfolio for prospective investors. It is not an actual account.

## Quarterly Commentary

- For the quarter ending December 31, 2009, on a gross of fees basis, the Large Cap Value Taxable Composite (the “Composite”) underperformed the S&P 500 Index by just 13 basis points and outperformed the Russell 1000® Value Index by 169 basis points.
- For 2009, the Composite outperformed the S&P 500 Index by 7.4% and outperformed the Russell 1000 Value Index by 14.2%.
- Better than expected. That is probably how most people would characterize the performance of the financial markets around the world in 2009. However, the market remains well below its all time highs, and, using the S&P 500 Index as a gauge, the last ten years have proved to be a disappointing decade for stocks.
- The argument about whether or not the recession is over seems to have been settled. Attention has now turned to how strong the recovery will be and the potential for a “double dip” recession.
- There is a very strong and cogent argument that the Federal government’s monetary and fiscal policies are going to have serious negative consequences at some point in the future. But, over the near term, a shock to the system from an unexpected geo-political event (i.e. a big increase in energy prices) appears to be the major risk in regards to the equity market.

## Overview

### Category

Domestic Equity  
Opportunistic Large Cap Value  
Institutional  
High Net Worth Individuals & Families

### Product Inception

January 1986

### Total Product Assets

\$170.5 million (Approx) as of December 31, 2009

### Total Composite Assets

\$89.5 million (Approx) as of December 31, 2009

### Firm’s Inception

May 1972

### Total Firm Assets Under Management

\$2.1 billion as of December 31, 2009

### What Makes Us Unique:

- Truly long-term investors
- Value managers who first focus on underlying business
- Concentrated portfolios
- Superior long-term performance
- Employees own significant equity stake

Investment Counselors of Maryland, LLC is registered as an investment advisor under the Investment Advisors Act of 1940. ICM is indirectly held by Old Mutual (US) Holdings, Inc. The company manages a variety of equity and fixed income assets for U.S. individuals, corporations and other institutional clients. ICM has prepared and presents this report in compliance with the Global Investment Performance Standards (GIPS®). Returns are computed and stated in U. S. Dollars.

The Large Cap Value Taxable Composite includes only fee-paying, fully discretionary taxable portfolios, managed for more than one full quarter. The investment approach most closely reflects a traditional large cap value equity style, with an average weighted capitalization of approximately \$65 billion as of December 31, 2009. Composite performance includes the reinvestment of dividend and interest income. Past performance is not a guarantee of future results. The entire constituency of the Large Cap Value Taxable Composite is benchmarked to the S&P 500 Index.