

SMID CAP VALUE STRATEGY

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Category

Domestic Equity
Small-to-Mid Cap Value

Objective

Seeks to provide maximum, long-term total return, consistent with reasonable risk to principal, by investing primarily in common stocks of small-to-mid cap companies in terms of revenues, assets and market capitalization.

Date of Inception

9/30/08

Market Value

\$2.7 Million

Management Team

William V. Heaphy, CFA – Principal, Portfolio Manager
 Robert F. Jacapraro, CFA – Principal, Portfolio Manager
 Matthew E. Fleming, CFA – Vice President, Analyst
 Andrew L. Gilchrist – Principal, Analyst
 Donald J. Hoelting, CFA – Principal, Analyst
 Gary J. Merwitz – Principal, Analyst
 Joshua S. Overholt – Vice President, Analyst
 Simeon F. Wooten, III, CFA – Principal, Analyst

Investment Strategy

The SMID Cap team employs a fundamentally based, bottom-up approach. Macro economic factors and how they will affect a company and its industry are considered when performing fundamental research. Our investment approach leads us to buy quality companies trading at attractive valuations.

We attempt to narrow the universe of stocks by screening for companies with attractive valuations, positive free cash flow and strong balance sheets. This allows us to focus our fundamental/qualitative analysis on those companies exhibiting the most promising valuation metrics. Generally, Small Cap companies will represent approximately 25% of the portfolio and the universe will be companies between \$500MM and \$2B in market capitalization; Mid-cap companies will represent approximately 75% of the portfolio and the universe will look for companies in the \$2B to \$15B range. We place emphasis on the quality of management and balance sheet strength. Individual company fundamentals are the most important component of our strategy.

TOTAL RETURNS (%)			
AS OF MARCH 31, 2010			
	SMID CAP VALUE	SMID CAP VALUE	RUSSELL 2500™
	GROSS OF FEES	NET OF FEES	VALUE INDEX
1 st Quarter	7.19	6.93	9.57
One Year	62.11	60.59	67.17
Since Inception*	12.23	11.13	3.38

*Annualized

Represents return of one proprietary account.

Net of fees performance is calculated using a model fee of 1% which is the maximum charged in any account.

Inception Date: 9/30/08

Please see additional disclosures on back of page.

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Characteristics

	SMID Cap Value Strategy	Russell 2500™ Value Index
Market Capitalization		
Weighted Average	\$4,452 mil	\$2,396 mil
Median	1,772 mil	579 mil
Price/Earnings ¹	17.8x	15.0x
Price/Earnings FYI Est ¹	15.5x	15.7x
Price/Book Value ¹	1.9x	1.4x
Price/Cash Flow ¹	8.0x	6.3x
Price/Sales ¹	1.1x	0.8x
EV/EBITDA ²	10.5x	31.8x
Dividend Yield of Stocks in Portfolio ²	1.6%	1.9%
Historical 5-year EPS Growth Rate ²	6.2%	3.8%
Debt/Capital ²	35.8%	33.8%

¹The harmonic average is used when averaging ratios that may produce extreme results due to small relative numbers in the denominator, such as P/E, P/B, etc. The harmonic average by itself does not exclude extreme values (positive or negative), it simply reduces the impact of outliers on the aggregate calculation.

²Weighted Average

Source: Factset Portfolio Analysis

Sector Allocation

	SMID Cap Value Strategy	Russell 2500™ Value Index
Consumer Discretionary	12.2	13.8
Consumer Staples	5.8	2.7
Energy	5.1	5.6
Financial Services	20.2	31.7
Health Care	9.0	5.3
Materials & Processing	14.0	10.1
Producer Durables	16.8	11.9
Technology	10.6	8.0
Utilities	5.9	11.0
Cash	0.5	--

Source: Factset Portfolio Analysis

Modern Portfolio Theory Statistics

Alpha	0.67
Beta	0.84
Sharpe Ratio	0.44
Standard Deviation	27.20
Tracking Error	6.02
R-Squared	98.65
Information Ratio	1.47
Benchmark	Russell 2500™ Value Index

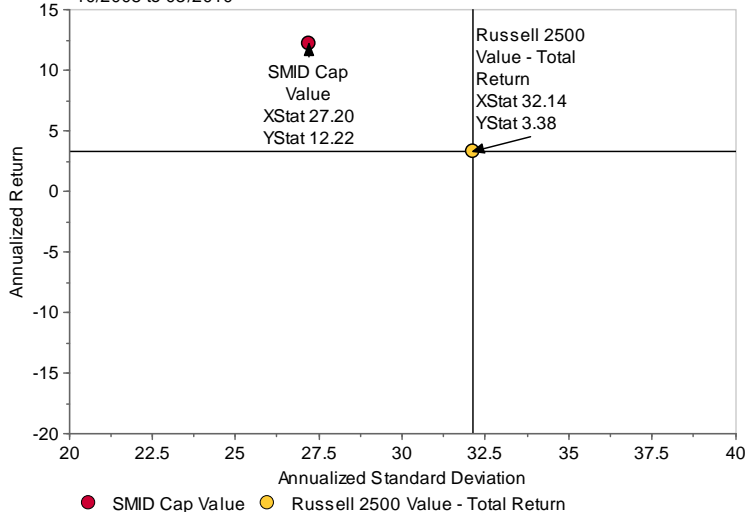
Source: Factset SPAR

Information based on the monthly time period September 30, 2008 through March 31, 2010. The risk-free rate is Citigroup 3 month T-bill.

Risk/Return Analysis

Annualized Standard Deviation Vs Annualized Return

10/2008 to 03/2010



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Top Ten Holdings as of March 31, 2010

Security	% of Portfolio
Lubrizol Corp.	2.4
Darden Restaurants Inc.	2.0
Valspar Corp.	1.6
CommScope Inc.	1.6
Life Technologies Corp.	1.6
Whiting Petroleum Corp.	1.6
John Wiley & Sons Inc. Cl. A	1.4
Oceaneering International Inc.	1.4
Hospira Inc.	1.4
FMC Corp.	1.3
Total % of Portfolio	16.2%

Portfolio holdings are at a specific period in time and are subject to change. This should not be considered as investment advice or recommendation to purchase a security.

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 presented this material in compliance with the Global Investment Performance Standards (GIPS®). Returns are computed and stated in U. S. Dollars.

The SMID Cap Value Composite includes one, non fee-paying, proprietary account managed in a SMID cap value equity style. Small Cap companies will represent approximately 25% of the portfolio and the universe will be companies between \$500MM and \$2B in market capitalization; Mid-cap companies will represent approximately 75% of the portfolio and the universe will look for companies in the \$2B to \$15B range. Accounts are included in the composite membership at the end of the month of funding subject to the account being fully invested. Composite performance includes the reinvestment of dividend and interest income. Past performance is not a guarantee of future results. The entire constituency of the SMID Cap Value Composite is benchmarked to the Russell 2500™ Value Index.