



INVESTMENT COUNSELORS OF MARYLAND, LLC

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This brochure provides information about the qualifications and business practices of Investment Counselors of Maryland, LLC (“ICM” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at 410-539-3838. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser with the SEC. Registration as an investment adviser does not imply any level of skill or training. Additional information about ICM is also available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes

This Brochure dated March 15, 2020 is our annual amendment. We have made the following changes to our Brochure since the last annual amendment dated March 29, 2019.

In our Brochure dated June 4, 2019, the Advisory Business, Other Financial Industry Activities and Affiliations, Brokerage Practices and Review of Accounts sections were amended to further describe trade rotation, allocation, and fees paid by participants in a Wrap fee program to which ICM provides investment management services.

In this Brochure dated March 15, 2020, the Advisory Business section was amended to include model portfolio assets under management. The Brokerage section was updated to include disclosure about a commission recapture program. Additionally, we have included a conflicts of interest table at the end of the Brochure. We have also made minor edits throughout, none of which we deem material.

You may request a current copy of our Brochure free of charge by contacting Deborah Parks, Chief Compliance Officer, at 410-539-3838 or Debbie.Parks@icomd.com.

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Advisory Business

ICM is a registered investment adviser with the SEC and was founded in 1972. We offer institutional and individual clients value investment solutions with an emphasis on small and mid-cap companies. We believe that a focus on companies trading at attractive valuations will produce superior absolute and risk adjusted returns over a full market cycle. Please refer to the "Methods of Analysis, Investment Strategies and Risk of Loss" section of this Form ADV for additional information.

Old ICM, Inc., an indirect subsidiary of BrightSphere Investment Group Inc., an NYSE listed company, owns 100% of the Class B interest in ICM, representing an equity ownership of approximately 65%. ICM Management LLC is the managing member of ICM and owns 100% of the Class A interest in ICM, representing an equity ownership of approximately 35%. Seven ICM Principals, all of which are investment professionals, each own a 1/7th interest in ICM Management LLC. Today ICM enjoys investment and operational autonomy along with the best practices assistance and backing of a global financial services organization.

As of December 31, 2019, we managed approximately \$2.409 billion of clients' assets on a discretionary basis. Additionally, as of December 31, 2019, ICM had approximately \$18.4 million in model portfolio assets. We report model portfolio assets in this section but do not consider such assets as non-discretionary "regulatory assets under management" for purposes of Item 5.F of ADV Part 1A.

ICM provides value-oriented, fundamentally based advisory services across the U.S. equity market capitalization spectrum to institutional investors, collective trust funds, individuals (other than high net worth individuals), high net worth individuals, and a mutual fund.

Typically, we manage these advisory accounts on a discretionary basis; however, in some instances, clients impose reasonable restrictions on investing, such as restrictions on investing in certain securities, types of securities, or industry sectors. Please refer to the "Investment Strategies" section of this brochure for more information.

In addition to working directly with clients, ICM provides investment advisory services to participants in a wrap fee program offered by an unaffiliated sponsor pursuant to an investment advisory agreement between ICM and the sponsor. Participants in the wrap fee program pay a single inclusive fee ("wrap fee") to the program sponsor that typically includes custody, investment consultation, trading and investment advisory services. ICM receives a portion of the wrap fee for investment management services. The services provided to wrap fee program clients are tailored to the requirements of the wrap fee program and differ from the services we provide to separately managed institutional accounts. For example, client reports are not provided for wrap fee accounts. Wrap fee program clients should review all materials relating to their programs.

ICM provides a model portfolio to the sponsor of a third-party model investment management program. ICM manages the model in accordance with its investment philosophy as set forth in the investment agreement. ICM does not have any relationship with the underlying clients. The sponsor is responsible for executing transactions and assuring implementation of a client's particular investment objectives and restrictions.

Fees and Compensation

Advisory fees for clients are typically calculated as a percentage of assets under management. Fees are charged according to the specific annual fee schedule identified in the client's investment advisory agreement and billed either quarterly in arrears or advance as directed by the client. Clients have a choice of receiving an invoice for investment advisory fees or having the fees deducted from their custodial account. In the event a client chooses to have the fee deducted from their custodial account, a duplicate invoice is sent to the client. Clients are encouraged to review the duplicate invoice to ensure the proper fee calculation has been made. Clients should receive statements from their custodians at least quarterly and should review the information provided by ICM against those statements.

Although ICM has established the following fee schedule(s), we retain the discretion to negotiate alternative fees and

account minimums on a client-by-client basis. Client relationships, service requirements, and other circumstances are considered in determining the fee schedule. Depending upon the range of services provided, the mandate requested, the amount of assets under management, and other factors as determined in the firm's sole discretion, fees may be reduced or a "most favored nation" fee schedule will be granted. Clients pay higher investment management fees than other clients in the same strategy.

Small Cap Value Equity Fee Schedule:

- 1.000% of the first \$30,000,000
 - 0.700% of the next \$20,000,000
 - 0.500% of the next \$50,000,000
 - 0.450% of the next \$150,000,000
 - 0.400% of all over \$250,000,000
- Account Minimum: \$10,000,000
Minimum annual fee: \$100,000

SMID Cap Value Equity Fee Schedule:

- 1.000% of the first \$12,500,000
 - 0.800% of the next \$12,500,000
 - 0.700% of the next \$25,000,000
 - 0.500% of the next \$50,000,000
 - 0.400% of all over \$100,000,000
- Account Minimum: \$2,500,000
Minimum annual fee: \$25,000

Mid-Cap Value Equity Fee Schedule:

- 0.750% of the first \$ 30,000,000
 - 0.650% of the next \$ 20,000,000
 - 0.550% of the next \$ 50,000,000
 - 0.450% of the next \$150,000,000
 - 0.400% of all over \$250,000,000
- Account Minimum: \$2,500,000
Minimum annual fee: \$18,750

Large Cap/All Cap Value Equity & Balanced Institutional Portfolios Fee Schedule:

- 0.625% of the first \$10,000,000 of market value
 - 0.500% of the next \$15,000,000 of market value
 - 0.375% of all over \$25,000,000 of market value
- Account Minimum: \$1,000,000
Minimum annual fee: \$6,250
Not available to new clients, the strategy is closing on June 30, 2020.

Large Cap/All Cap Value Individual & High Net Worth Individual Fee Schedule:

- 0.900% of the first \$5,000,000 of market value
 - 0.750% of all over \$5,000,000 of market value
- Account Minimum: \$500,000
Minimum annual fee: \$4,500
Not available to new clients, the strategy is closing on June 30, 2020.

Wrap Fee Schedule:

For clients working with ICM through a wrap sponsor, the wrap sponsor pays ICM a portion of the wrap fee collected. The wrap fee typically includes custody, investment consultation, trading and investment advisory services. Wrap fee clients pay brokerage fees in excess of the wrap fee where ICM trades away from the wrap program.

Model Fee Schedule:

ICM collects a fee from a sponsor for which we provide a model portfolio. Fees are calculated by the sponsor and payable on a quarterly basis in arrears based on the value of assets using the model portfolio as determined by the platform sponsor based on the individual sponsor's fee schedule. ICM does not determine or have control over the sponsor's practice with regards to refunding client fees if they terminate the relationship during the billing period.

Clients should note that similar advisory services are available from other registered (or unregistered) investment advisers for similar or lower fees.

Additional Fees and Expenses

ICM's advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients will incur certain charges imposed by custodians, brokers, and other third-parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients will generally incur administrative and operating expenses charged by mutual funds, collective investment trusts and real estate investment trusts. These fees are exclusive of and in addition to ICM's fee. ICM shall not receive any portion of these commissions, fees, and costs described above other than when services and products are paid for with client brokerage commissions (soft dollars) and other than receipt of mutual fund advisory fees. Please refer to the "Brokerage Practices" section of this Form ADV for additional information.

ICM accepts performance-based fee structures. Please refer to the Performance-Based Fees and Side-by-Side Management sections of this Form ADV for further details.

Mutual Fund Fees

Some clients have invested at their discretion in a mutual fund under our management as part of their overall account. Client assets held in the mutual fund are excluded from the fee calculation to avoid dual advisory fees. Clients will incur mutual fund management and administrative fees and other fund expenses as described in the fund's prospectus. A client can invest in the mutual fund, without our assistance, through other brokers or agents.

A client should review both the fees charged by the mutual fund and ICM's advisory fees to fully understand the total amount of fees to be paid when evaluating the advisory services being provided.

Termination of Investment Advisory Agreement

A client may terminate the investment advisory agreement at any time upon written notice. If a client's investment advisory agreement is terminated, any fees paid in advance will be pro-rated as of the termination date and refunded to the client. Similarly, any fees paid in arrears will be billed the pro rata portion for the period the assets were under management. ICM reserves the right to make exceptions to this policy on a case-by-case basis.

Performance-Based Fees and Side-By-Side Management

ICM accepts performance-based fee arrangements with qualified clients. ICM's investment team manages accounts side-by-side that are charged fees based on assets under management and a performance-based fee. The fee is calculated based on the standard small cap value account fee schedule. Under this performance-based fee arrangement, the base fee equals 85% of the standard fee and is the minimum fee which ICM receives for managing this account. The performance bonus is based on the rolling three-year performance of the account relative to the Russell 2000 Value Index. The amount of bonus depends on the degree of outperformance by the account. However, the maximum fee, including the performance bonus,

cannot exceed 115% of the normal fee based on the standard fee schedule.

The side-by-side management of client accounts that pay performance-based fees with client accounts that pay only an asset-based fee creates a conflict of interest; the portfolio manager has an incentive to favor client accounts that have the potential to receive greater fees. Managing both types of accounts also creates an incentive for the portfolio manager to take on excessive risk since his or her compensation is tied to performance or revenue.

ICM employees, including the portfolio managers, invest in the mutual fund advised by ICM. This type of investing has the effect of aligning the financial interests of ICM employees with those of other investors. This could create an incentive for the portfolio manager to favor that account over other accounts in which the portfolio manager and other employees have no interest.

The portfolio managers manage multiple strategies, funds and or accounts, and could devote unequal time and attention to each strategy, fund, or account.

To mitigate potential conflicts of interest, ICM has established policies and procedures specifically designed to ensure that all accounts are treated equitably, regardless of fee arrangement, with respect to aggregation and allocation of trades. Typically, trades in the investment strategies are aggregated and allocated across the appropriate accounts, subject to client guidelines, directed brokerage, and restrictions. The investment committee regularly reviews the performance of each account to verify that an account is neither advantaged nor disadvantaged over time due to our allocation policy. Compliance reviews trades that are not allocated pro rata to detect possible favoritism of one account over another. See the "Brokerage Practices – Allocation and Aggregation of Equity Trades" section of this Form ADV for more details on this policy.

Types of Clients

ICM provides advisory services to the following types of clients:

- ◆ Pension and profit-sharing plans
- ◆ State or municipal government entities
- ◆ Taft-Hartley Plans
- ◆ Multi-employer plans
- ◆ Foundations
- ◆ Endowments
- ◆ Charitable organizations
- ◆ Corporations or other businesses not listed above
- ◆ Individuals (other than high net worth individuals)
- ◆ High net worth individuals
- ◆ Investment companies (including mutual funds)
- ◆ Collective Investment Trusts

ICM's minimum account sizes vary by strategy. The minimums are specified in the fee schedules in the "Fees and Compensation" section of this Form ADV. ICM retains the right to accept and maintain accounts below the stated minimums.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

ICM provides advisory services to institutional and individual clients by utilizing two distinct investment processes. Both approaches employ a value-oriented investment method with a focus on fundamental analysis. We attempt to measure the value of a security by looking at economic and financial factors including the overall economy, industry conditions, and the financial condition and management of the company itself, to determine if the company is underpriced (indicating it may

be a good time to buy) or overpriced (indicating it may be time to sell).

Small Cap, SMID Cap and Mid-Cap Value Investment Analysis. In selecting investments for our Small Cap, SMID Cap and Mid-Cap Value strategies we seek to invest in companies that have an above-average return on equity, are financially strong, and yet are selling at a discount to our assessment of their intrinsic value. Using screening factors such as financial strength, earnings valuation, and earnings quality, ICM screens the Portfolio's universe of potential investments to seek to identify securities that ICM believes are undervalued. The list of candidates is further narrowed using traditional fundamental security analysis, which may include interviews with company management and a review of the assessments and opinions of outside analysts and consultants. Securities are sold when we believe the shares have become relatively overvalued, the investment thesis is not realized, or we find more attractive opportunities.

Large Cap/All Cap Value Investment Analysis. We seek to identify companies that are well capitalized with sustainable competitive advantages and strong management teams. Using screening parameters, we vet the universe of investments to identify potentially undervalued securities. We further narrow the list of potential investments through traditional fundamental security analysis. Our primary focus is to confirm the competitive position of the company and that it is sufficiently undervalued. Securities are sold when we believe the shares have become relatively overvalued or we find more attractive alternatives.

Investment Strategies

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

ICM Small Cap Value Equity Strategy: The strategy seeks to provide maximum, long-term total return, consistent with reasonable risk to principal, by investing primarily in common stocks of small cap companies. Generally, the portfolio will invest in companies with market capitalizations within the range of the Russell 2000® Index at the time of purchase. The primary benchmark for this strategy is the Russell 2000® Value Index.

ICM SMID Cap Value Equity Strategy: The strategy 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. Generally, the portfolio will invest in companies with market capitalizations within the range of the Russell 2500™ Index at the time of purchase. The primary benchmark for this strategy is the Russell 2500™ Value Index.

ICM Mid-Cap Value Equity Strategy: The strategy seeks to provide maximum, long-term total return, consistent with reasonable risk to principal, by investing primarily in common stocks of mid cap companies. Generally, the portfolio will invest in companies with market capitalizations within the range of the Russell Midcap® Index at the time of purchase. The primary benchmark for this strategy is the Russell Midcap® Value Index.

Large Cap/All Cap Value Equity Investment Strategy: The strategy seeks to provide maximum, long-term total return, consistent with reasonable risk to principal, by investing primarily in common stocks of large cap companies in terms of revenues, assets and market capitalization. The portfolio is conviction weighted and concentrated resulting in a portfolio of approximately 30-40 stocks. The primary benchmark for the strategy is the Russell 1000 Index. This was changed from the S&P 500 Index . This strategy is not available to new clients.

Risk of Loss

Investing in securities involves risk of loss of all or a portion of an investment that clients should be prepared to bear. The following risks are inherent to ICM's investment style and method of analysis. Please note that the below risks are not a complete explanation of all risks involved in investing.

Equity and General Market Risk: Since our investment strategies purchase equity securities, our clients' assets are subject to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of our equity securities may fluctuate drastically from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is a significant risk of investing in our investment strategies.

Investment Management Risk: Our strategies are actively managed. A strategy may not meet its investment objective and could underperform other similar strategies with comparable investment objectives managed by other advisors. ICM serves as adviser to a mutual fund and a collective investment trust. Further information related to risks unique to these products is available in the related offering documents.

Analysis Risk: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the research firms that provide data and analysis on these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information, or we may come to an incorrect conclusion based on our analysis.

Value Company Risk: Value investing carries the risk that the intrinsic value of a stock may not be fully recognized by the market for a long time, or our assessment of a company may be inaccurate, and that company may be appropriately priced at a low level.

Small and Medium Company Risk: The small and medium capitalization companies in which the Small Cap Value, Mid Cap Value and SMID Cap Value strategies will invest may be more vulnerable to adverse business or economic events than larger, more established companies. These small- and mid-sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small and mid-cap stocks may be more volatile than those of larger companies.

Concentrated Investing Risk: The Large Cap/All Cap Value strategy is relatively concentrated which means that it owns larger positions in a smaller number of securities than other, more diversified strategies. This means that an increase or decrease in the value of a single security likely will have a greater impact on the strategy's investment performance than in a more diversified strategy.

Real Estate Investment Trust ("REIT") Risk: REITs are pooled investment vehicles that own, and usually operate, income-producing real estate. REITs are susceptible to the risks associated with direct ownership of real estate, such as the following: declines in property values; increases in property taxes, operating expenses, rising interest rates or competition overbuilding; zoning changes; and losses from casualty or condemnation. REITs typically incur fees that are separate from those of the portfolio. Accordingly, clients will indirectly bear a proportionate share of the REITs' operating expenses, in addition to paying advisory fees.

Information Security Risk: ICM, and its service providers, may be susceptible to operational and security risks resulting from cyber-attacks. Cyber-attacks include stealing or corrupting data, denial of service attacks on websites, the unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential information and operational disruptions. Any significant limitation on the use of our facilities or the failure or security breach of our software applications or operating systems and networks, including the potential risk of cyber-attacks, could result in the disclosure of confidential information and financial losses. Similar types of cyber security risk are also present for issuers of securities in which we may invest, which could result in material adverse consequences for such issuers and may cause your investments to lose value.

Disciplinary Information

Registered investment advisers are required to disclose any legal or disciplinary events that would be material to a client's

or prospective client's evaluation of our advisory business or the integrity of our management. Neither ICM nor our management personnel is currently the subject of any litigation, formal investigation, administrative proceedings or disciplinary events.

Other Financial Industry Activities and Affiliations

ICM is the investment adviser to a U.S. registered mutual fund and collective investment trusts (the “trusts”). The trusts are exempt from registration under the Investment Company Act of 1940 and the Securities Act of 1933.

Side-by-side management could be a potential conflict of interest. Please refer to Performance-Based Fees/Side-by-Side Management and Brokerage Practices sections of this Brochure.

ICM provides investment management services to a wrap program sponsored by a third-party. Please refer to the Allocation and Aggregation of Equity Trades section of this Brochure for a description of ICM’s trade rotation policy.

ICM provides model delivery services to a separately managed account program sponsored by a third-party adviser. ICM is not responsible for investment advice provided by the adviser to the end-clients. ICM has no discretion over the program accounts or whether the adviser follows the model. ICM updates and communicates the model following our standard trade rotation. Please refer to the “Allocation and Aggregation of Equity Trades” section of this Brochure for a description of ICM’s trade rotation policy.

BrightSphere Investment Group Inc. and its affiliates provide certain services to ICM including but not limited to distribution assistance. Please refer to the Advisory Business section of this Form ADV for more information.

ICM has a relationship with a non-related FINRA registered broker-dealer holding broker-dealer licenses for certain ICM employee(s), where necessary. ICM maintains a branch office of this broker-dealer on our premises.

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

Overview of the Code

We are dedicated to promoting the highest levels of ethical standards and professional conduct among our employees. Our firm has adopted a Code of Ethics (the “Code”) that is based on the principle that all employees have a fiduciary obligation to our clients to act with honesty, integrity and loyalty. The Code sets forth expectations that we have for our employees, including the expectation that they put the interest of clients above their own personal interests, and that they never abuse their position of trust and responsibility. Our Code and policies and procedures establish rules governing personal trading, gifts and entertainment, political contributions, and outside activities. Employees are required to report any violations of the Code to the Chief Compliance Officer (“CCO”) or designated officer. Violations of the Code are taken seriously and may result in disciplinary action. Employees receive training on the Code and are required to acknowledge initially, annually, and when amended, in writing that they have read, understand, and comply with the Code. All employees are subject to the provisions of the Code. Provisions of the Code also apply to family members and certain independent contractors, where deemed appropriate. Compliance with the Code is monitored by the CCO. The CCO has a fiduciary duty to report material violations of the Code to the Board of Directors of the mutual fund in which ICM serves as adviser, as well as the Board of Directors of ICM.

Personal Trading

The Code does not prohibit personal trading by our employees. As a result, our employees purchase or sell securities for their own accounts that we purchase or sell for client accounts and at times trade in an opposite direction than client accounts subject to Code restrictions. This creates a potential conflict of interest. Our Code includes policies and procedures that are designed to address potential conflicts of interest and ensure that we maintain our fiduciary obligations to our clients. Our policies include, but are not limited to, the following provisions:

- ◆ All employee security transactions require pre-clearance, except for transactions that are exempt, which include but are not limited to certain open-end mutual funds, money market funds, municipal securities and U.S. government obligations.
- ◆ Employees must pre-clear all Initial Public Offering (“IPO”) transactions and all private placement investments without exception.
- ◆ Employees may not purchase or sell a security simultaneous to purchases and sales of that security for clients, except when an employee is invested in a pooled vehicle.
- ◆ Employees may not purchase or sell a security in an employee-related account if that security is currently being considered for a client.
- ◆ The CCO has full discretion to allow exceptions to these rules if there are reasonable grounds to believe that the exception will not result in harm to a client or a violation of the law.
- ◆ Employees are prohibited from purchasing or selling a security, or recommending the purchase or sale of a security, for any account while they are in possession of material nonpublic information.
- ◆ If an employee comes into possession of material nonpublic information, they must report to the CCO or designated officer. It is a violation of our Code to communicate material nonpublic information with anyone other than the CCO or designated officer.
- ◆ Employees are required to submit initial and annual holding statements and quarterly transaction reports/brokerage statements to Compliance.

Participation or Interest in Client Transactions

ICM recommends to clients that they buy or sell securities in which employees, affiliates or other related persons have a financial interest. This includes situations where ICM serves as adviser to a proprietary account funded by an affiliate, or where ICM acts as an investment adviser to a mutual fund.

Our Code includes the following policies and procedures to address potential conflicts of interest:

- ◆ Requires employees to put the interest of our clients above their own interests.
- ◆ Forbids employees from abusing their position of trust.
- ◆ Requires employees to report any known conflicts of interest to the CCO or designated officer.

Our trading policies and procedures are designed to address the inherent conflicts of trading client accounts with proprietary accounts. Please see the "Brokerage Practices" section of this Form ADV for more details on this policy.

We will provide a complete copy of our Code of Ethics to any client or prospective client upon request. To request a copy, please contact us at 410.539.3838.

Brokerage Practices

ICM generally has full discretion to determine the broker-dealer to use and the commissions to pay on transactions, except in cases where a client directs us to use a specific broker or brokers for all or a portion of its trades or a client chooses to use a custodian that charges fees on trades that are not directed to its platform.

Broker-Dealer Selection & Compensation

ICM selects brokers or dealers that we believe will provide the most favorable results to our clients over time. When choosing a broker or dealer, we take into consideration the price obtained, commissions charged, ability to find liquidity, promptness and reliability of execution, access to secondary markets, and confidentiality and placement of orders. Our policy prohibits the use of affiliated broker-dealers.

Although ICM may not always pay the lowest commission rates available, we strive to pay reasonably competitive

commission rates. We consider the following when determining the reasonableness of commission rates: the broker's stability, reputation, ability to minimize total trading costs, level of trading expertise, research, trading platform, the liquidity of the security, the difficulty of the order and other services which will help ICM in providing investment management services to clients. ICM therefore uses brokers who provide useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

We have trading policies and procedures in place which govern our trading practice. The policies and procedures include a requirement to select brokers based primarily on their ability to add value to the client's portfolio over time. On a quarterly basis, at least two of the three members of the Brokerage Review Committee (the "Committee"), which consists of the CCO, Chief Investment Officer ("CIO"), and Trader review the quality of trade execution. The Committee considers third-party analysis of our trades in assessing the quality of our execution. If a brokerage firm is determined, based on the judgment of the Committee, to be executing orders in a non-satisfactory manner, they may be excluded from future consideration.

As part of Wrap sponsored programs, ICM will typically trade for the accounts through the program's Sponsor. A portion of the Sponsor's wrap fee is considered in lieu of commissions. ICM is not able to negotiate fees paid to the sponsor. If ICM were to place equity transactions with broker-dealers other than the sponsor, the associated client accounts would pay brokerage commission costs that are in addition to the charges for execution otherwise included in the Sponsor's overall fee. Clients should evaluate the wrap fee, the level of services provided, and whether the total fee would exceed the aggregate cost of such services if they were separately provided and ICM were free to choose broker-dealers to execute portfolio transactions.

ICM has a client who participates in a commission recapture arrangement with one or more brokers. This arrangement is negotiated between the broker and the client or the client's custodian independently of ICM. Subject to best execution, ICM will use the commission recapture broker for a portion of this client's trades.

Trade Errors

ICM has an obligation to place trades correctly and will ensure clients are not harmed as a result of an error. Our Trade Error policy is to seek to identify and correct the error as promptly as possible, without disadvantaging clients or benefiting ICM.

Third-Party Soft Dollar Benefits

We receive research-related services that provide assistance in the performance of our investment decision making process and trading enhancement services using our clients' brokerage commissions rather than using ICM's profits to pay for these services. This practice is known as "soft dollar benefits". We use soft dollars in accordance with Section 28(e) of the Securities Exchange Act of 1934, which requires us to determine in good faith that the commissions paid by our clients are reasonable in relation to the research or brokerage services received. Our use of these research-related services will not be limited to the accounts that paid commissions to the broker or dealer for such services. Some clients restrict our ability to use their commissions for soft dollars. Wrap clients and clients who require ICM to use a specific broker do not trade with brokers that provide soft dollar benefits and therefore these clients do not contribute to soft dollar credits. Model clients do not contribute to soft dollar credits since ICM does not have trading authority over model accounts. Trades that are part of a commission recapture program do not contribute to soft dollar credits. In addition, we do not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that client accounts generate.

During the first quarter of each calendar year, the CIO of ICM establishes a suggested research budget in consultation with the research analysts and the trading department. The budget is based primarily on the following criteria:

- ◆ Proprietary research
- ◆ Third-party research
- ◆ Access to research analysts
- ◆ Access to managements of companies either at ICM or at conferences

- ◆ Access to information that aids in trade execution
- ◆ Third-party software and databases used in ICM's proprietary research
- ◆ Ability and willingness to execute trades in thinly traded stocks

ICM directed approximately 17% of 2019 client commissions to soft dollar credits that were used to pay for market data and research provided by third-party vendors.

This budget is used by the trading desk as a suggested guide for brokerage allocation. ICM's primary consideration in brokerage firm selection is best execution.

These arrangements present certain risks and potential conflicts of interest. We have an incentive to select a broker-dealer based on our desire to receive research instead of our obligation to seek best execution for our clients. There is a risk that our clients pay commissions that are not reasonable in relation to the research or brokerage services received.

Our trading policies and procedures are designed to manage these conflicts and risks. Trades made to satisfy these obligations are made consistent with policies and procedures covering best execution. Our policies and procedures require that when entering into a soft dollar arrangement, we determine that services provided are fair and reasonable. In determining whether the fees are fair and reasonable, we will consider our ability to replicate the services and the value that these products and services provide to the management of our clients' assets. All third-party soft dollar arrangements are reviewed at least annually to make sure the service is still relevant and to understand how the service is used and that it is appropriately categorized as a soft dollar expense.

Commission Sharing Arrangements

We have entered into Commission Sharing Arrangements with certain brokers. These arrangements allow us to generate commission credits in an account maintained by the introducing broker. From time-to-time, at our direction, the introducing broker will make payments from those credits to other brokers or vendors to pay for eligible research and brokerage services. Commission sharing arrangements are generally used to pay for both proprietary and third-party research products and services. We believe these arrangements improve our ability to fulfill best execution obligations by allowing us to execute trades with brokers who we believe provide superior execution services, while continuing to receive research from the research firms of our choice.

Client-Directed Brokerage

Some clients request that all or a portion of the commissions generated by transactions in their account be directed to a particular broker or brokers. In certain circumstances, we may not satisfy a directed brokerage request in order to achieve best execution.

Some of ICM's clients choose to have their assets held at brokerage firms that encourage all trades to be directed on their platform. Transactions in these accounts are normally executed through the brokerage firms holding the securities for the clients/participants, often resulting in a higher per share commission rate than ICM could obtain for the non-directed client transactions. The brokerage firms may offer a trade away option for executing transactions, which if utilized, will incur additional fees to the client. ICM does not have the ability to negotiate commission rates for clients who use these types of brokerage firms as their custodian. ICM considers these accounts directed brokerage, as the additional fees limit ICM's ability to trade away. Trades for these accounts will typically be placed after non-directed client trades and will be rotated by custodian. Please refer to the "Advisory Business" section of this Form ADV for additional information.

Directed brokerage accounts lose the opportunity to aggregate orders, which may result in less favorable prices and higher execution costs. Since some directed orders are price limit orders, clients could lose the opportunity to transact in a security if the price moves from the limit prior to the order being placed.

Allocation and Aggregation of Equity Trades

Trade Aggregation. It is ICM's policy to treat all of our clients in a fair and equitable manner in the purchase and sale of securities in their accounts. Our accounts are generally grouped in the following strategies: Small Cap, SMID Cap, Mid-Cap, and Large/All Cap. ICM's clients include certain proprietary accounts funded by affiliated persons and a mutual fund in which ICM serves as adviser. As a general rule, the decision to purchase or sell a security is made for groups of more than one client account within a specific strategy or strategies. For example, if ICM enters an order for both the Small and SMID Cap strategies, all Small and SMID Cap accounts (which include proprietary accounts) are usually aggregated subject to specific account guidelines or cash flows. Each client portfolio that participates in an aggregated order will typically participate at the average share price in that security with all transaction costs shared pro rata, subject to client restrictions on using commissions for soft dollars, based on each client's participation in the transaction. ICM will usually aggregate such orders because we believe that aggregation will result in better execution at lower overall costs to our clients.

In some cases, we buy and sell securities for multiple strategies at the same time. If we have an open order for one strategy and the trader receives instructions to buy or sell the same security for a different strategy, the trader will usually merge the orders if the orders have the same limit. The shares allocated to clients from the original order will generally not change as a result of the merge.

In an effort to ensure that accounts are treated fairly over time, ICM uses a trade rotation policy. We generally categorize accounts into three groups:

- Group 1: Institutional accounts that can be aggregated because they typically have no trading limitations
- Group 2: client-directed accounts (please refer to Client Directed Brokerage above) and wrap programs (accounts are aggregated at the sponsor level); and
- Group 3: model portfolios where we provide model portfolio information to the model sponsors, who then decide whether and when to execute transactions.

Group 1 accounts are typically block traded and are always traded first. Group 2 accounts are traded after Group 1 trades are complete. ICM will generally follow a sequential rotation for Group 2 accounts if there is more than one sponsor or directed broker. Group 3 models are provided after Group 2 trades are complete. Model delivery is generally rotated by sponsor if there is more than one sponsor. ICM has no control over whether or when sponsors implement model changes. Clients in Group 2 may obtain a price that is different, in some cases more favorable and in some cases less favorable than Group 1. Price differences can be due to external market factors, for example, security specific news and macro-economic events.

In cases where a client has directed that all or a portion of its trades are to be directed to a particular broker or brokers, or the client's account is held in custody at a brokerage firm holding the securities for that client and the trades must be made with that broker to avoid incurring additional expense in the client's account, then the client's trade can only be aggregated with other clients' trades at the same broker. Best execution may not be realized by using a directed broker and usually, non-directed orders in the same security are completed before directed brokerage orders. Directed trades will be placed based on ICM's directed trade rotation policy. Accounts with no restrictions are typically traded first, followed by directed accounts, followed by model delivery. The directed accounts are generally rotated by custodian/sponsor and separately and following the directed accounts' execution the model accounts are generally rotated by sponsor. The trader has discretion to make exceptions.

In some cases, trades of a security are executed based on the specific needs of a particular client. At times this results in clients trading on different days and at different prices for the same security.

Allocation of Equity Trades. If the entire aggregated order is filled in one trading day, clients will generally participate at the average price of the aggregated order, with all transaction costs shared on a pro rata basis.

If the entire aggregated order is not executed in one trading day, clients will generally participate in the average price of the aggregated order for that portion of the trade executed on that day. In allocating partial trades, the allocation will usually be made on a pro rata basis. On occasion, when only a small portion of the order is executed, at the trader's discretion, the trade may be allocated based on the "gross exposure" of the security being traded in the various accounts involved. In other

words, accounts with the least exposure to a security being purchased or the most exposure to a security being sold would receive a greater than pro rata share of the execution. If a pro rata division of a partial trade would result in a de minimis allocation to a certain account or accounts, those accounts will generally be excluded from the allocation. Thus, larger accounts could temporarily be advantaged. An account that is in the process of withdrawing funds may be allocated a greater than pro rata share of a security being sold. If trades are allocated in a manner other than pro rata, the transaction is reviewed as soon as reasonably possible, and an explanation is noted on the blotter.

Historically, ICM has participated in very few IPOs on behalf of our clients. The policy of the Firm is to allocate IPOs among clients in the same manner we allocate normal trades. If ICM does participate in an IPO on behalf of our clients and the allocation of the IPO is made in other than a pro rata basis, the Trader and the CCO will prepare a memorandum explaining the reasons for the allocations and the memorandum will be retained by the Compliance department.

ICM's policies and procedures include periodic reviews that we believe helps to ensure that our clients are treated in a fair and equitable manner over time.

Review of Accounts

As previously stated, ICM is organized along investment strategies so that management of client accounts can be assigned to the appropriate Portfolio Manager of each strategy. There are two distinct investment strategies:

1. The Small-to-Mid Cap Value strategy generally offers Small Cap Equity, SMID Cap Equity and Mid-Cap Equity services to Institutional accounts.
2. The Large/All Cap Value strategy generally offers Large Cap Equity and All Cap Equity services to Individuals, High net worth Individuals and Institutional separate accounts.

All Small, SMID and Mid-Cap institutional separate accounts are reviewed at the weekly investment committee meeting by the Small-to-Mid Cap team. One objective of these reviews is to ensure, as best as possible, that weightings of individual holdings and of the industry sectors represented in the accounts are closely aligned. The other objective is to make purchase and sale decisions with respect to stocks held in the accounts and to review the price objectives and fundamental progress of the companies held in the accounts. Purchases and sales are generally made on a pro rata basis across all accounts (subject to individual account investment restrictions and guidelines).

The Large/All Cap Value portfolio manager generally monitors the product, model portfolio and securities within the portfolio on a daily basis. The portfolio manager also reviews the portfolios to make purchase and sale decisions with respect to holdings in the Large/All Cap client accounts. Performance for the accounts and their respective composites is reviewed on a periodic basis. In addition, individual accounts are formally reviewed at least twice a year by a review team that includes the Large Cap Value portfolio manager and operations, compliance, and client service personnel. At each review, the team is given a summary of each account's investment objectives, asset allocation requirements, specific client restrictions or mandates, income requirements, and directed brokerage constraints, if any. The portfolio manager or client service associate will seek to contact or meet with clients at least annually.

ICM provides all clients with a written report on their account at least quarterly. At a minimum, these reports include a list of assets in the account. Typically, in addition to the list of assets sent, the quarterly report also includes a summary of the investment results of the account relative to the appropriate benchmarks, and a letter discussing the market conditions contributing to the performance of the account during the quarter. Clients also generally receive account statements from the custodian at least quarterly.

Clients in the Wrap Account/Model programs receive reports required by each specific program through the program Sponsor. Although ICM does not normally have direct client contact for such accounts, ICM is available, on a reasonable basis, to consult with a Sponsor's Financial Advisor or the underlying Wrap Account/Model client. Required disclosures are generally sent to the Wrap Account/Model Sponsors for distribution to their client base.

Client Referrals and Other Compensation

As described under Brokerage Practices above, ICM receives soft dollar products and services from brokers. ICM does not receive any other economic benefit from a non-client for providing investment advisory services.

Although ICM is not currently involved in any referral arrangements with third-parties, it is possible that we could enter into such arrangements in the future. ICM will compensate individuals or entities for the referral of advisory clients to the Firm, provided appropriate disclosures and regulatory requirements are met.

ICM will compensate BrightSphere, Inc., ICM's parent company for providing certain services to ICM.

Custody

In addition to the periodic statements that clients receive directly from their custodians, ICM also sends account summaries directly to clients on at least a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current and agree to what is shown on the custodian statement.

Our firm is deemed to have custody as a result of our ability to instruct custodians to deduct client fees from client accounts where the client has authorized us in writing to do so. ICM is also deemed to have custody of certain client assets based on clarification contained in the SEC no-action letter to the Investment Adviser Association (Feb. 21, 2017). ICM has the authority to act on standing letters of authorization for certain clients at one qualified custodian. ICM did not obtain the annual surprise exam, as required by the custody rule, because the qualified custodian has helped ICM meet the seven conditions outlined in the no-action letter.

Investment Discretion

ICM accepts discretionary authority to manage investments on behalf of our clients. A written investment advisory agreement is required at the outset of every advisory relationship. The written agreement includes stated investment objectives and discretionary provisions. Generally, the written agreements allow us full discretion to direct the investment of assets on our client's behalf and at our client's risk. Our discretion is exercised in a manner consistent with stated investment objectives of a client, regulatory requirements and our policies and procedures.

Our limited discretionary authority includes the ability to do the following without contacting the client:

- ◆ Determine broker-dealer
- ◆ Determine the security to buy or sell
- ◆ Determine the amount of the security to buy or sell
- ◆ Determine the amount of broker commissions to be paid

Clients can limit our discretionary authority by giving us written instructions. Clients can also change/amend such limitations by providing us with written instructions. Examples of client restrictions include:

- ◆ Limitations prohibiting the purchase of certain securities, industries or economic sectors
- ◆ Limitations prohibiting the sale of certain securities held in the account
- ◆ Restrictions limiting the percentage of any one security held in the account
- ◆ Specific guidelines on asset allocation restrictions for balanced accounts

Voting Client Securities

We have a fiduciary responsibility to vote proxies in the best interest of our clients. With respect to benefit plans under the Employee Retirement Income Securities Act (ERISA), we acknowledge our responsibility as a fiduciary to vote proxies

prudently and solely in the best interest of plan participants and beneficiaries. Some clients wish to retain authority to vote proxies for the securities held in their accounts. In those cases, we will instruct or ask our client to instruct the custodian to send proxies directly to the client or the client's proxy voting agent. We will not maintain voting records for clients who vote their own proxies. Clients can change their voting authorization at any time. We have adopted a proxy voting policy and procedures that are reasonably designed to ensure that we vote proxies in the best interest of our clients. We use an unaffiliated proxy voting service to assist us with the proxy voting process and to develop voting guidelines. We believe that the voting guidelines developed by the proxy voting service represent a reasoned approach to the primary goal of enhancing long-term shareholder value. In addition, we believe that engaging a proxy voting service assists in insulating our voting decisions from any potential conflicts of interest.

On occasion, during the voting process, the best interest of our clients will conflict with our own interests. Examples of conflicts of interest include: a substantial business relationship between ICM and the companies soliciting proxies; a substantial business relationship between our employees or their family members and the companies soliciting proxies; or a substantial business relationship between ICM and either proponents or opponents of a particular initiative. Our service provider could encounter a conflict of interest that precludes them from issuing vote recommendations or voting proxies in the best interest of our clients. Our procedures include the requirement to report any potential conflicts of interest to the CCO or designate. If we determine that a potential conflict of interest exists, we will vote the proxy as recommended by the proxy service, or take another course of action that, in our opinion, fairly addresses the conflict in the best interest of our clients. On occasion, we vote proxy ballots contrary to the recommendation of the proxy firm. This occurs when we believe that, after careful review and consideration, a vote in opposition of the proxy voting firm is in the best interest of our clients. We have procedures in place that require review and authorization from the CCO or designated review officer prior to voting contrary to the recommendation of the proxy voting service.

On limited occasions we are unable to vote proxies. Examples of situations in which we are unable to vote proxies are:

- ◆ A ballot is not received from the custodian.
- ◆ A meeting notice is received too late.
- ◆ A client participates in a share lending program and the shares subject to a vote are on loan.

We have procedures in place to monitor upcoming meetings and reconcile proxy ballots against shareholdings records.

We will maintain voting records in an easily accessible place for at least five years. Clients can obtain copies of our Proxy Voting Policies and Procedures and/or information about how we voted proxies by calling 410-539-3838 or emailing clientservice@icomd.com.

Financial Information

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. ICM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Other Information – Conflicts of Interest

Conflict assessments are ongoing, and many conflicts of interest are eliminated/reduced with internal controls. Potential conflicts of interest have been discussed throughout this brochure and are compiled below. Please contact us should you require additional information on how these potential conflicts are managed and mitigated internally so as not to have a material impact.

<i>Fees/Contract Terms</i>	<ul style="list-style-type: none"> • Side-by-side management of performance-based fee and standard fee accounts resulting in favoring the performance-based fee accounts over the standard fee accounts. • Agreeing to most favored nation clauses that are not available to other investors and clients. • Regarding the valuation of portfolios for the purposes of reporting performance and calculating management fees due. • Certain clients pay a higher investment management fee than other clients in the same strategy.
<i>Investments</i>	<ul style="list-style-type: none"> • Inequitable access to investment opportunities: Purchasing a security for one account that is not purchased for another account, including purchasing securities for an account in which a related account/employee has personally invested or an account with a performance-based fee. • Employees investing in securities and a mutual fund in which clients invest. • One client account is a proprietary account which was funded by an affiliate. This account does not pay an advisory fee.
<i>Trading</i>	<ul style="list-style-type: none"> • The identification and correction of trade errors. • The firm may direct brokerage to brokers that provide the firm with proprietary research.



INVESTMENT COUNSELORS OF MARYLAND, LLC

Client Privacy Policy

We consider our relationship with our clients our most important asset. We strive to maintain your trust and confidence in our firm, an essential aspect of which is our commitment to protect your personal information to the best of our ability. We believe that all of our clients value their privacy, so we will not disclose your personal information to anyone unless the disclosure is required by law, is at your direction, or is necessary to provide you with our services. We have not and will not sell your personal information to anyone.

What information do we collect, maintain and communicate?

ICM collects and maintains your personal information so we can provide investment management services to you. The types and categories of information we collect and maintain about you include:

- ◆ Information we receive from you to open an account or provide investment advice to you (such as your home address, telephone number, social security number, and financial information);
- ◆ Information that we generate to service your account (such as trade tickets and account statements);
- ◆ Information that we receive from third-parties with respect to your account (such as trade confirmations from brokerage firms or monthly statements from your custodian).

In order for us to provide investment management services to you, we disclose your personal information in other limited circumstances, which include:

- ◆ Disclosures to companies, subject to strict confidentiality agreements, that perform services on our behalf (such as our technology consultants who assist us in maintaining our computer systems); and
- ◆ Disclosures to companies as permitted by law, including those necessary to service your account (such as providing account information to brokers and custodians), or to protect the security of our financial records.

Otherwise, ICM will not disclose any personal information about you or your account(s) unless one of the following conditions is met:

- ◆ We receive your prior written consent;
- ◆ We believe the recipient is your authorized representative; or
- ◆ We are permitted or required by law to disclose information to the recipient.

How we protect your personal information

To fulfill our privacy commitment at ICM, we have instituted firm-wide practices to safeguard the information that we maintain about you. These practices include:

- ◆ Adopting policies and procedures to put into place physical, electronic and other safeguards designed to keep your personal information safe;
- ◆ Limiting access to personal information to those employees who need it to perform their job duties; and
- ◆ Requiring third-parties that perform services for us to agree to keep your information strictly confidential.

Even if you decide to close your account(s) or become an inactive client, we will adhere to the privacy policies and practices described above. ICM will continue to review and enhance our security procedures as new technologies become available.