ICM SMALL COMPANY PORTFOLIO

THIRD QUARTER 2020

OCTOBER 15, 2020

Dear Shareholder:

The U.S. equity markets continued their strong recovery this quarter from the lockdown induced lows of last March. Thanks in large part to unprecedented fiscal stimulus, the U.S. economy continues to recover as well, but the pace of economic expansion has recently shown signs of slowing and a worrisome 11 million plus Americans are still claiming unemployment benefits. At the same time, more companies are announcing layoffs to adjust to the new lower level of economic activity. In recognition of this fragile state of the U.S. economy, the up and down gyrations of the stock market in recent weeks seem to be dictated by the prospects for, and potential magnitude of, a further round of fiscal stimulus from Congress, which of course is inexorably tied to the outcome of the upcoming Presidential and Senatorial elections.

Due perhaps to a lack of conviction in a self-sustaining economic expansion, the equity markets continued to prefer growth stocks over value shares all along the market cap spectrum. The 2.6% quarterly return for small cap value shares, as measured by the Russell 2000® Value Index, lagged the much stronger 7.2% gain for small cap growth shares, as measured by the Russell 2000® Growth Index. The ICM Small Company Portfolio (the "Fund" or the "Portfolio") came up just shy of the Russell 2000® Value Index (the "Benchmark") during the third quarter, gaining 2.1%.

TOTAL RETURN (%) NET OF FEES
PERIODS ENDING 9/30/20

			3rd Quarter 2020						Periods Ending 9/30/20 Annualized			
	2020 1Q	2020 2Q	July	Aug	Sept	2020 3Q	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	4/19/89 Since Inception
ICM Small Co. Portfolio[1]	-35.02	19.44	1.65	5.60	-4.90	2.08	-20.77	-15.46	-3.80	5.74	8.41	11.01
Russell 2000® Value Index	-35.66	18.91	2.06	5.39	-4.65	2.56	-21.54	-14.88	-5.13	4.11	7.09	9.09
Russell 2000® Index	-30.61	25.42	2.77	5.63	-3.34	4.93	-8.69	0.39	1.77	8.00	9.85	8.85
Russell 2000® Growth Index	-25.76	30.58	3.44	5.87	-2.14	7.16	3.88	15.71	8.18	11.42	12.34	8.12
Russell 1000® Index	-20.22	21.82	5.86	7.34	-3.65	9.47	6.40	16.01	12.38	14.09	13.76	10.35

[1] The returns shown for the ICM Small Company Portfolio are net of all fees and expenses.
**ICM Small Co. Portfolio inception date is 4/19/1989. Russell data starts on 4/30/1989.*
Total annual Fund operating expenses are 0.93%.
Total returns assume reinvestment of all dividends and capital gains.
The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-866-234-5426 or visit our website at www.icomd.com.
Additional disclosures can be found on page 3 of this letter.

The Fund's Real Estate Investment Trust (REIT) holdings provided a nice lift to relative performance this quarter, rising 2.7%, which exceeded both the Benchmark and the REIT industry loss of 1.7%. Several REIT subsectors such as hotels, shopping centers, malls and offices have been hit hard by Covid-19 social distancing practices. The Fund benefited this quarter from its below Benchmark weight in these subsectors, but we continue to seek opportunities in this deeply depressed area of the market. In addition, the Portfolio's holdings in shopping center owner Kite Realty, up 0.8%, and restaurant landlord Four Corners Property Trust, up 6.1%, both significantly exceeded the performance of their peers in the quarter on the heels of very strong rent collection results that demonstrate the quality of their portfolios. Self-storage facility owner Jernigan Capital, which agreed to be acquired for a 25.3% premium, also contributed to the outperformance in the REIT industry.

The Portfolio also benefitted from a significant underweight of the Financials industry which declined 4.4%, due primarily to an 8.8% decline in regional banks as investors continue to worry about the inevitable credit losses stemming from the pandemic and stubbornly low interest rates. We have begun to add to the Fund's investments in the banking sector as we believe the second quarter was the peak in loss reserves for banks and the industry is much better capitalized than during the last recession. In particular, we have been buying banks that trade below tangible book value where we believe the market is pricing in estimates of credit losses that are too pessimistic.

Although oil prices were fairly stable in the recent quarter, small cap Energy shares struggled, falling 9.8%. Here too the Fund's below benchmark weight was a positive contributor to relative performance. While we continue to struggle to find exploration and production companies that have sufficient financial strength to meet our quality discipline, the Fund does have investments in well capitalized equipment and service providers. As a result, the Portfolio's oil and gas related stocks fell just 10.2% compared to a 16.0% decline for the Benchmark peers. This outperformance was offset partially by the Fund's lack of exposure to the more highly valued speculative alternative subsector (i.e. wind and solar equipment providers) that surged 38.7%

The Consumer Discretionary industry was by far the biggest headwind to relative performance this quarter. Although the Portfolio's holding climbed 7.7%, this lagged badly the 16.8% gain for the Benchmark constituents. With over 10 million Americans unemployed it seems counter intuitive that consumer shares would outperform but consumer spending has held up remarkably well. Spending patterns have, for now, clearly shifted to subsectors of the market that have benefitted from work at home and stay at home trends like home and leisure goods. The Fund had some exposure to this trend, for example homebuilders which gained 28.0%, but not enough. Footwear retailer Designer Brands, which operates DSW, was a large drag on performance, falling 19.8%. The company has not been able to shift its merchandise assortment quickly enough from fashion offerings to the athleisure styles that are currently popular. Designer Brands is well managed and should be able to correct its product assortment in the next few quarters.

The Portfolio's Basic Material investments also lagged the Benchmark falling 0.6% versus a 6.2% gain for the Benchmark peers. Much of this can be explained by the Fund's lack of exposure to precious metals miners which surged 43.1% as the dollar weakened and gold prices spiked in the early part of the September quarter.

The Federal Reserve's extraordinarily accommodative monetary policy has surely contributed to the sharp recovery of the U.S. economy, and certain sectors of the equity markets, namely large cap growth stocks. Equally important has been the massive fiscal support funneled directly to small businesses and consumers in the form of loans and direct payments. This support has begun to run out, however, and with unemployment still elevated, the risk of a double dip recession is real absent a fourth round of fiscal support from Congress to bridge the gap between now and the ultimate end of the pandemic. With the November elections looming, the market is likely discounting a Biden victory, but it is less clear what the reaction will be to a Democratic takeover of the Senate. In the short term, such a result could be positive for markets given the prospect of more aggressive stimulus than what the President is currently offering. Of course, the cost of such measure will be higher taxes—at least for corporations and the wealthy—or higher inflation or both.

Finally, the stock market is exhibiting shades of the late 1990s. The performance and valuation disparities between growth stocks and value stocks, and large cap and small cap stocks is approaching levels not seen over the last twenty years. For example, the weighted average price to earnings estimates for 2021 for the Fund is currently 12.3 times compared to 20.6 times for the Russell 1000® Index. At the same time speculation seems back in vogue with a surge of SPACs coming to market and the reemergence of day traders. If and when this situation reverses, we like the prospects of small cap value shares.

As always, we appreciate your business. Please feel free to contact us with any questions or concerns.

Sincerely,

William V. Heaphy

William V. Heaphy, CFA
Principal

This material must be preceded or accompanied by a current prospectus. Please read it carefully before you invest or send money.

**The Russell 2000® Index is an unmanaged index composed of the 2,000 smallest stocks in the Russell 3000®, a market value weighted index of the 3,000 largest U.S. publicly-traded companies. The Russell 1000 Index is an unmanaged index composed of the 1,000 largest stocks in the Russell 3000 index. The Russell 2000® Growth and Value Indexes are created by sorting the universe of Russell 2000® companies by book/price ratio and separately by I/B/E/S growth rate. (Reported book value is adjusted to reflect FAS 106 and 109 write-offs by adding back the unamortized portion of the charge.) Each of the sorted series is normalized and combined to arrive at a composite rank for each company. The composite rank is used to generate the probability that a stock is either growth or value. About 30% of the stocks in the Russell 2000® appear in both the growth and value indexes in different proportions based on the probability calculated; the sum of the shares in each index is the total number of shares floating. The remaining 70% of the companies are in one style index only. Please note that one cannot directly invest into an unmanaged index.*

The ICM Small Company Portfolio is distributed by SEI Investments Distribution Co., which is not affiliated with Investment Counselors of Maryland (ICM) or its affiliates. The material represents the manager's assessment of the portfolio and market environment at a specific point in time and should not be relied upon by the reader as research or investment advice regarding any stock. Neither this material nor any accompanying oral presentation or remarks by a representative is intended to constitute a recommendation of the Fund or a determination of suitability.

Portfolio holdings are subject to change and should not be considered investment advice or a recommendation to buy securities.

There are risks involved with investing in mutual funds, including loss of principal. In addition to the normal risks involved with investing in mutual funds, including loss of principal, investments in smaller companies typically exhibit higher volatility. Current and future holdings are subject to risk.

Top Ten Equity Holdings as of September 30, 2020:

Holding	% of Portfolio
TRI Pointe Group Inc	2.00
Verint Systems Inc.	1.71
Cooper Tire & Rubber Company	1.68
PRA Group Inc	1.58
Regal Beloit Corp	1.53
M.D.C. Holdings, Inc.	1.46
Group 1 Automotive, Inc.	1.46
MYR Group Inc.	1.42
Ensign Group, Inc.	1.36
Cheesecake Factory Incorporated	1.29