

Investment Strategy

ICM's Small Cap Value Strategy seeks to achieve its objective by investing primarily in common stocks of companies that have market capitalizations within the range of the Russell 2000® Value Index at the time of purchase. Typically, ICM invests 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. ICM believes stocks with such characteristics are likely to provide superior rates of return over extended periods of time and through a variety of economic and market cycles.

Using screening factors such as financial strength, earnings valuation, and earnings quality ICM screens the Portfolio's universe of potential investments to identify securities that ICM believes are undervalued. The list of candidates is further narrowed by the use of traditional fundamental security analysis, which may include interviews with company management and a review of the assessments and opinions of outside analysts and consultants.

Category

Domestic Equity Small Cap Value

Investment Objective

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

Strategy Inception

4/19/1989

Strategy Assets

\$2,143.8 Million

Composite Inception

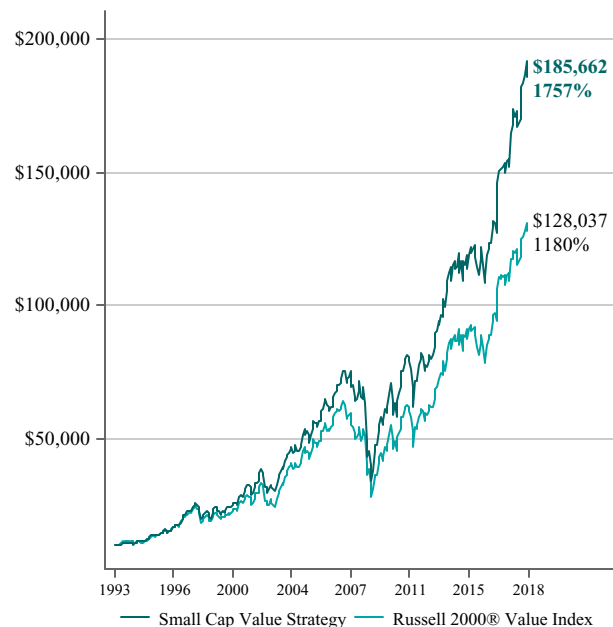
4/30/1993

Total Composite Assets

\$1,304.0 Million

Growth of \$10,000

Cumulative Net Return %



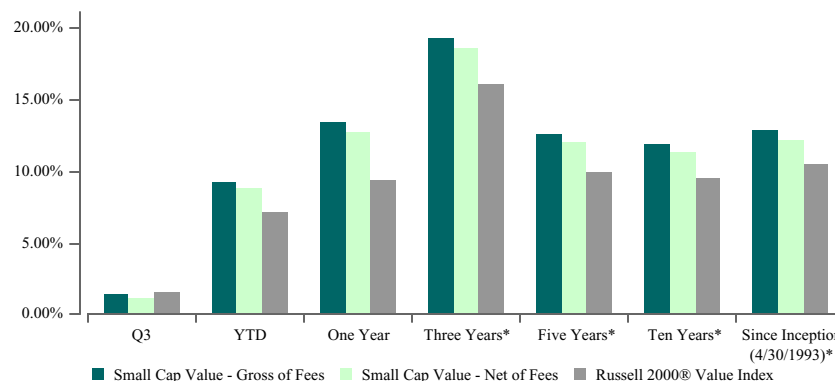
Cumulative Return from April 30, 1993
Source: FactSet SPAR

ICM Portfolio Management Team

William V. Heaphy, CFA – Portfolio Manager
Gary J. Merwitz – Analyst
Matthew E. Fleming, CFA – Analyst
Andrew L. Gilchrist – Quantitative Analyst

Joshua S. Overholt – Analyst
James F. Shurtleff, CFA – Analyst
David J. Brenia – Analyst
Jesse L. Fink, CFA – Analyst
Craig A. Miller, CFA – Head Trader

Total Returns (%) as of September 30, 2018



Total Returns (%) - September 30, 2018							
	Q3	YTD	1yr	3yr*	5yr*	10yr*	Inception*
■ Small Cap Value Composite (Gross)	1.41	9.26	13.40	19.28	12.57	11.89	12.92
■ Small Cap Value Composite (Net)	1.22	8.80	12.79	18.60	11.98	11.27	12.18
■ Russell 2000® Value Index	1.60	7.14	9.33	16.12	9.91	9.52	10.55

*Annualized, Inception Date: 4/30/1993, Source: FactSet SPAR

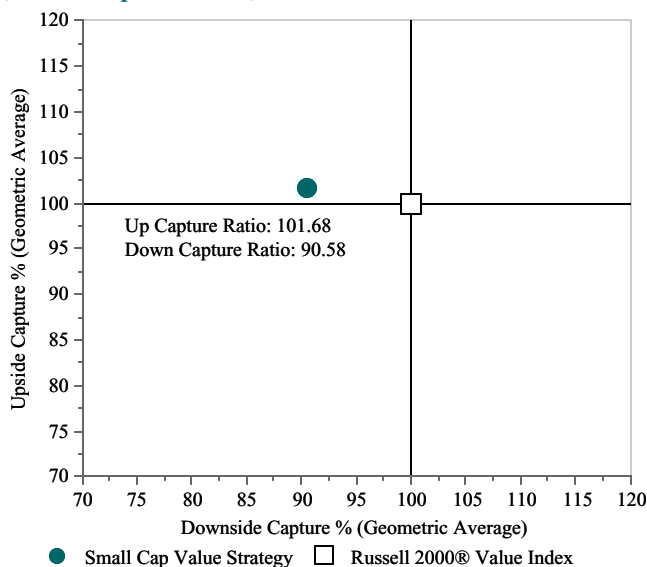
Past performance is not a guarantee of future results.

Please see additional disclosures on back of page.

Total returns assumes reinvestment of all dividends.

Up/Down Capture†

April 30, 1993 - September 30, 2018



Source: FactSet SPAR

†Supplemental Information

For a compliant composite presentation or a list and description of all Firm composites please contact:

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Small Cap Value Strategy

Quarterly Update - September 30, 2018

Modern Portfolio Theory Statistics

Annualized Alpha	2.53
Beta	0.97
Sharpe Ratio	0.62
Annualized Standard Deviation	16.75
Tracking Error	4.63
R-Squared	92.45
Information Ratio	0.51
Benchmark	Russell 2000® Value Index

Source: FactSet SPAR

Information based on monthly data for the period 4/30/1993 through 9/30/2018.

The risk-free rate is Citigroup 3 month T-bill.

Portfolio Characteristics†

	Representative Account	Russell 2000® Value Index
Market Capitalization		
Weighted Average	\$1,930.9 mil	\$2,137.1 mil
Median	\$1,480.1 mil	\$809.9 mil
Price/Earnings FY1 ¹	16.3x	15.1x
Price/Earnings FY2 ¹	14.0x	13.9x
Price/Cash Flow ¹	11.3x	8.4x
Price/Sales ¹	1.3x	0.9x
EV/EBITDA ¹	10.8x	10.3x
Dividend Yield of Stocks in Portfolio ²	1.3%	1.9%
Historical 5-year EPS Growth Rate ²	8.6%	5.3%
Debt/Capital ²	30.0%	35.7%

¹Weighted Harmonic Average

²Weighted Average

Sector Weightings†

	% of Representative Account	% of Russell 2000® Value Index
Financial Services	22.6	26.7
Producer Durables	22.1	11.7
Technology	11.7	9.8
Consumer Discretionary	10.2	12.1
Materials & Processing	8.1	5.6
Real Estate Investment Trusts	7.5	13.1
Health Care	5.1	4.9
Energy	5.0	7.4
Cash	3.3	--
Utilities	2.8	6.6
Consumer Staples	1.6	2.3

Top 10 Equity Holdings†

Company Name	% of Representative Account
Belden Inc.	1.5
Simmons First National Corporation Class A	1.5
Cambrex Corporation	1.5
Armstrong World Industries, Inc.	1.4
ICF International, Inc.	1.3
Verint Systems Inc.	1.3
Mitel Networks Corporation	1.3
Perficient, Inc.	1.3
Carrizo Oil & Gas, Inc.	1.3
Kite Realty Group Trust	1.3

Portfolio holdings are as of a specific point in time, are subject to change, do not represent all securities recommended to clients and should not be considered as investment recommendations to buy individual securities. Current and future holdings are subject to risk.

†Holdings-based information is sourced from the Representative Account.

†Source: FactSet Portfolio Analysis

All of the data presented above is supplemental information.

Definitions

Alpha: A coefficient which measures risk-adjusted performance, factoring in the risk due to the specific security, rather than the overall market.

Beta: A quantitative measure of the volatility of a security or portfolio relative to the overall market.

Debt/Capital: A measurement of financial leverage, calculated as a company's debt divided by its total capital.

Dividend Yield: A financial ratio that shows how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is the return on investment for a stock.

EV/EBITDA (Enterprise Value-to-EBITDA): A ratio used to determine the value of a company. It takes debt into account when calculated. A low ratio indicates that a company might be undervalued.

Harmonic Average: 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.

Historical 5-year EPS Growth Rate: This growth rate is the compound annual growth rate of Earnings Per Share excluding extraordinary items and discontinued operations over the last 5 years. This is not a measure of the portfolio's performance.

Information Ratio: A risk-adjusted measure calculated by taking the annualized excess return over a benchmark and dividing it by the standard deviation of excess return. It is used in active management to gauge a manager's performance against some benchmark. It relates the magnitude and consistency with which an investment outperformed its benchmark. The higher the information ratio, the better.

Intrinsic Value: The actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of both tangible and intangible factors. This value may or may not be the same as the current market value.

Price to Book Ratio (P/BV): A stock's capitalization divided by its book value. This ratio compares the market's valuation of a company to the value of that company as indicated on its financial statements.

Price to Cash Flow: A measure of the market's expectations of a firm's future financial health. The effects of depreciation and other non-cash factors are removed and this measure provides an indication of relative value.

Price to Earnings Ratio (P/E): The most common measure of how expensive a stock is. The P/E ratio is equal to a stock's market capitalization divided by its after-tax earnings over a 12-month period, usually the trailing period but occasionally the current or forward period.

Price/Sales: A ratio for valuing a stock relative to its own past performance, other companies or the market itself. It is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months, and it does not take any expenses or debt into account.

R-Squared: A measurement of how closely a portfolio's performance correlates with the performance of a benchmark index and thus a measurement of what portion of its performance can be explained by the performance of the overall market or index. Values for R-squared range from 0 to 100, where 0 indicates no correlation and 100 indicates perfect correlation.

Sharpe Ratio: A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historical risk-adjusted performance.

Standard Deviation: A statistical measure of the historical volatility of an investment. More generally, a measure of the extent to which numbers are spread from expected normal returns.

Tracking Error: A measure of how closely a manager follows the index, and is measured as the standard deviation of the difference between the manager and index returns.

Up/Down Capture: Shows what portion of market performance was captured by a manager in up and down markets. An up market is defined as periods when the benchmark return is positive and a down market is defined as periods when the benchmark return is negative.

Weighted Average Market Cap: A stock market index weighted by the market capitalization of each stock in the index. In such a weighting process, larger companies account for a greater portion of the index.

Investment Counselors of Maryland, LLC is registered as an investment adviser under the Investment Advisers Act of 1940. ICM is indirectly held by Brightsphere, Inc. The company manages a variety of equity assets for institutional clients, corporations and US individuals. ICM claims compliance with the Global Investment Performance Standards (GIPS®). Returns are computed and stated in U. S. Dollars. The Small Cap Value Tax-Exempt Composite includes all discretionary, fee-paying tax-exempt accounts managed in a traditional small cap value equity style, with an average weighted capitalization of approximately \$2.0 billion. Accounts are included in the composite at the end of the first month after funding subject to account being fully invested. Composite performance includes the reinvestment of dividend and interest income. The entire constituency of the Small Cap Value Tax-Exempt Composite is benchmarked to the Russell 2000® Value Index, which measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Index is an unmanaged index. One cannot invest directly in an index, and index returns do not reflect any management fees, expenses, or transaction costs. Derivatives and other leverage techniques are not utilized in the management of this composite. NOTICE: Russell Investment Group is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a presentation of Investment Counselors of Maryland. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in ICM's presentation thereof. Registration as an investment adviser does not imply a certain level of skill or training.