

# ICM Small Company Portfolio

## Quarterly Update - September 30, 2018

### Investment Strategy

ICM Small Company Portfolio seeks to achieve its objective by investing at least 80% of its net assets in common stocks of companies with market capitalization 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  
Institutional Class Shares: ICSCX

### 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

### Market Value

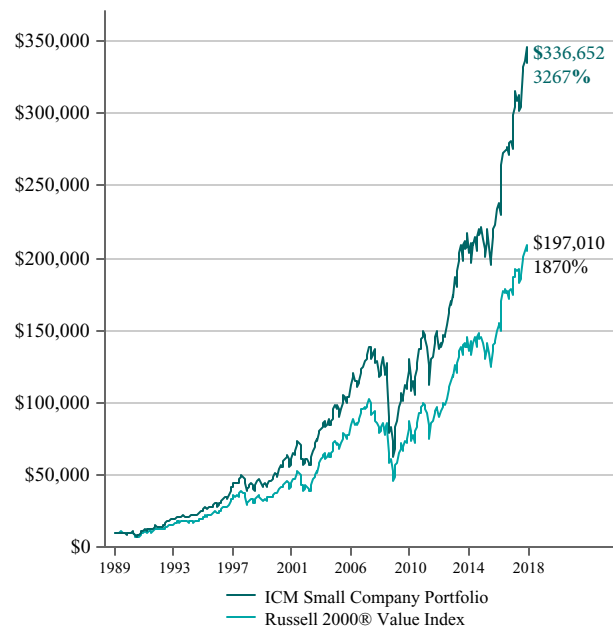
\$839.83 Million

### Annual Expense Ratio

0.95%

### Growth of \$10,000

#### Cumulative Net Return %



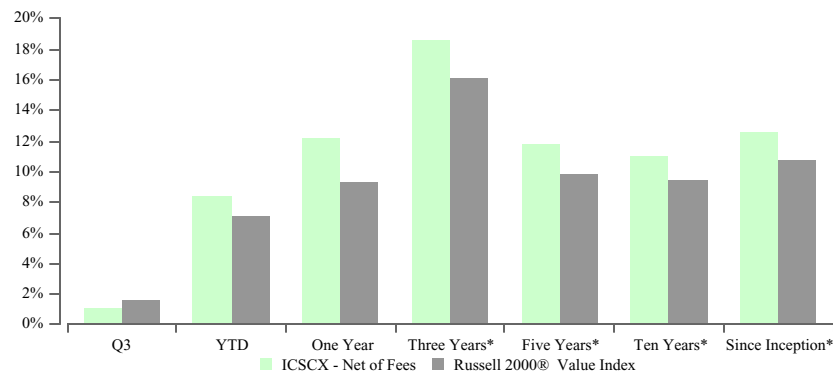
Cumulative Inception date April 19, 1989, Russell data starts 4/30/1989  
Source: SEI and ICM

### 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 (%) Net of Fees - September 30, 2018

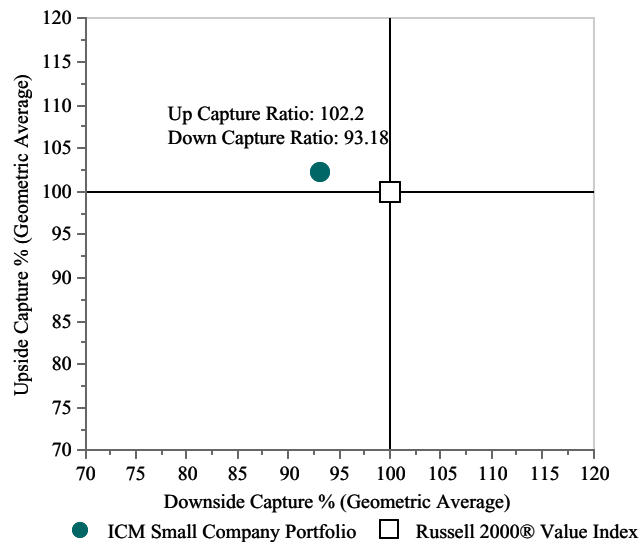


| Total Returns (%) Net of Fees - September 30, 2018 |      |      |       |       |       |       |            |
|--|------|------|-------|-------|-------|-------|------------|
|  | Q3   | YTD  | 1yr   | 3yr*  | 5yr*  | 10yr* | Inception* |
| ICM Small Co. Portfolio <sup>1</sup>               | 1.16 | 8.49 | 12.31 | 18.88 | 11.82 | 11.08 | 12.68      |
| Russell 2000® Value Index                          | 1.60 | 7.14 | 9.33  | 16.12 | 9.91  | 9.52  | 10.66      |
| SEC 30 day yield                                   | 0.68 |      |       |       |       |       |            |

<sup>1</sup>Net of all fees and expenses; \*Annualized; Inception Date: 4/19/89, Russell data starts on 4/30/89. 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](http://www.icomd.com). Source: FactSet SPAR

### Up/Down Capture†

April 19, 1989 - September 30, 2018



● ICM Small Company Portfolio □ Russell 2000® Value Index  
Source: FactSet SPAR  
†Supplemental Information

Mutual fund investing involves risk including loss of principal. In addition to the normal risks associated with equity investing, investments in smaller companies typically exhibit higher volatility. Index is unmanaged and not available for direct investment. Russell data starts on 4/30/1989. The Russell 2000® Value Index measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. Index returns assume reinvestment of dividends and do not reflect any fees or expenses. One cannot invest directly into an index.

# ICM Small Company Portfolio

## Quarterly Update - September 30, 2018

### Modern Portfolio Theory Statistics†

|                               |                           |
|-------------------------------|---------------------------|
| Annualized Alpha              | 2.09                      |
| Beta                          | 0.98                      |
| Sharpe Ratio                  | 0.57                      |
| Annualized Standard Deviation | 16.93                     |
| Tracking Error                | 4.63                      |
| R-Squared                     | 92.56                     |
| Information Ratio             | 0.44                      |
| Benchmark                     | Russell 2000® Value Index |

Source: FactSet SPAR

Information based on monthly data for the period 4/30/1989 through 9/30/2018.

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

### Portfolio Characteristics†

|  | ICM Small<br>Company<br>Portfolio | Russell 2000®<br>Value Index |
|--|-----------------------------------|------------------------------|
| Market Capitalization                              |                                   |                              |
| Weighted Average                                   | \$1,937.2 mil                     | \$2,137.1 mil                |
| Median   | \$1,480.1 mil                     | \$809.9 mil                  |
| Price/Earnings FY1 <sup>1</sup>                    | 16.2x                             | 15.1x                        |
| Price/Earnings FY2 <sup>1</sup>                    | 13.9x                             | 13.9x                        |
| Price/Book Value <sup>1</sup>                      | 1.8x                              | 1.5x                         |
| Price/Cash Flow <sup>1</sup>                       | 11.3x                             | 8.4x                         |
| Price/Sales <sup>1</sup>                           | 1.3x                              | 0.9x                         |
| EV/EBITDA <sup>1</sup>                             | 10.8x                             | 10.3x                        |
| Dividend Yield of Stocks in Portfolio <sup>2</sup> | 1.3%                              | 1.9%                         |
| Historical 5-year EPS Growth Rate <sup>2</sup>     | 8.5%                              | 5.3%                         |
| Debt/Capital <sup>2</sup>                          | 29.9%                             | 35.7%                        |

<sup>1</sup>Weighted Harmonic Average

<sup>2</sup>Weighted Average

### Sector Weightings†

|                               | % of ICM Small<br>Company<br>Portfolio | % of Russell<br>2000® Value<br>Index |
|-------------------------------|--|--------------------------------------|
| Financial Services            | 23.4                                   | 26.7                                 |
| Producer Durables             | 21.6                                   | 11.7                                 |
| Technology                    | 11.6                                   | 9.8                                  |
| Consumer Discretionary        | 10.3                                   | 12.1                                 |
| Materials & Processing        | 8.2                                    | 5.6                                  |
| Real Estate Investment Trusts | 7.6                                    | 13.1                                 |
| Energy                        | 5.1                                    | 7.4                                  |
| Health Care                   | 5.0                                    | 4.9                                  |
| Cash                          | 2.8                                    | --                                   |
| Utilities                     | 2.7                                    | 6.6                                  |
| Consumer Staples              | 1.6                                    | 2.3                                  |

### Top 10 Equity Holdings†

| Company Name                               | % of Portfolio |
|--|----------------|
| Armstrong World Industries, Inc.           | 1.6            |
| Belden Inc.                                | 1.5            |
| Cambrex Corporation                        | 1.5            |
| ICF International, Inc.                    | 1.4            |
| Simmons First National Corporation Class A | 1.3            |
| Carrizo Oil & Gas, Inc.                    | 1.3            |
| Verint Systems Inc.                        | 1.3            |
| Mitel Networks Corporation                 | 1.3            |
| Percipient, Inc.                           | 1.3            |
| Federal Signal Corporation                 | 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.

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.

**SEC 30 Day Yield:** A standard yield calculation developed by the SEC that allows for fairer comparisons among mutual funds. It is based on the most recent month end and reflects the interest earned during the period after deducting the fund's expenses for the period.

**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.

For further information, please contact the Fund at 866-234-5426.

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

The ICM Small Company Portfolio is distributed by SEI Investments Distribution Co., which is not affiliated with ICM or any other affiliate.

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.