

# Core Value Equity

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The Core Value Equity investment process is driven by our multi-factor quantitative model. Top-down analysis of the economy and capital markets identifies the most attractive market sectors in which to invest.

We then focus our bottom-up analysis on companies within the most attractive sectors, overweighting them relative to index weightings. Conversely, when relative weakness is identified, we underweight those sectors.

Our model ranks both sectors and individual companies on valuation, strength and risk level. The result is a portfolio of large cap, undervalued and financially productive companies whose stock performance is positioned to outperform the broad market.

## Investment Team:

**Bart McMurry**  
 CFO, CIO Quantitative Strategies Group

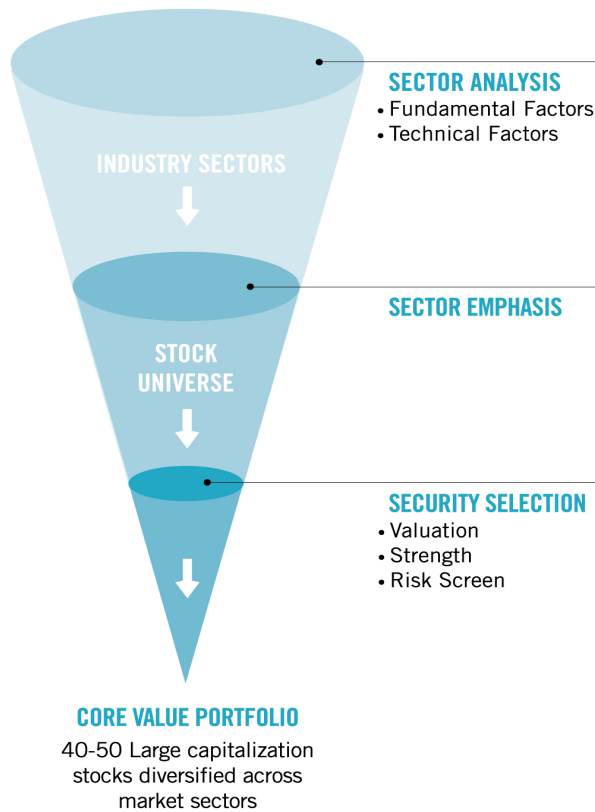
**Robert Dombrower**  
 Senior Vice President/Portfolio Manager

**Michael Mara**  
 Managing Director/Portfolio Manager

**Michael Barron**  
 Director/Portfolio Manager

*"We combine the dynamic approach of our investment model with some of the oldest rules of good investing such as diversification and risk control. The result is a balance of capital appreciation in rising markets and capital preservation in falling markets."*

## Core Value Equity SECURITY SELECTION PROCESS



### Sell Process

When our model identifies weakness (e.g. earnings deceleration, overvaluation, etc.) within a sector or individual company, the portfolio manager validates the sell-signal and eliminates affected holdings from the portfolio.

### INVESTMENT STYLE: Large Cap Core Value

Portfolios typically exhibit lower P/E and P/B ratios and a higher dividend yield than the S&P 500 Index.

### INVESTMENT PROCESS: Quantitative

Our proprietary computer model compiles fundamental and technical data on hundreds of securities to guide our research.

### PORTFOLIO CONSTRUCTION: Broad Diversification

40-50 highly liquid, large capitalization stocks diversified across market sectors.

### RISK PROFILE: Defensive

Portfolios have historically provided downside protection with superior relative performance during most down-market periods.

### PERFORMANCE: Consistent

Portfolios exhibit stability of returns over a full market cycle.

### RELATIVE SIGNAL STRENGTH BY SECTOR

S+P 500 SECTOR	ForRsk	EstRev	DDM	YR1EPS	P/SAL	PE	ALPHA	/T1001	Factor
Basic Industries	++	++		++	++		--	+	++
Capital Goods			--		++	++		-	
Communications	-	-	++		--			++	-
Consumer Cyclical			--	-	++	++		--	
Consumer Staples	-	-		+			+	--	-
Energy	++	++	++				--		
Financials		--	--	-	-	++	++	--	-
Health Care	-				--	--			--
Technology	++	++	++	--	--	--	++	++	+
Transportation	--	--		++	++			-	
Utilities			++	++	++	++	--		++
Value Stocks			-	+	++	++	--	--	
Growth Stocks			+	+	--	--	++	++	-

++ Strong Pos    + Weak Pos    -- Strong Neg    - Weak Neg

## Portfolio Characteristics

	CVE	R1000V	S&P 500
Avg. Market Capitalization (Bil.)	40.38	73.58	95.22
Price to Earnings	10.7	11.2	12.2
Price to Sales <sup>ttm</sup>	0.62	0.96	1.19
Price to Book <sup>ttm</sup>	1.3	1.4	2.0
Dividend Yield	2.3%	2.6%	2.2%
5 Year EPS Growth	0%	2%	7%
5 Year Standard Deviation	20.32%	20.09%	18.88%
Beta (5 Year vs. S&P 500)	1.06	-----	-----

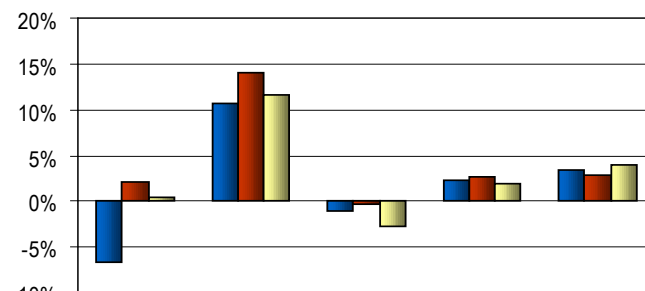
<sup>ttm</sup> - trailing twelve months

## Core Value Equity Annual Returns

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Composite Gross-of-Fees Return (%)	1.0	-20.6	33.0	11.9	7.0	15.6	9.5	-36.0	28.6	13.1	-6.6
Composite Net-of-Fees Return (%)	0.5	-21.0	32.3	11.3	6.5	15.1	9.0	-36.4	28.0	12.5	-7.1
S&P 500 Return (%)	-11.9	-22.1	28.6	10.9	4.9	15.8	5.5	-37.0	26.5	15.1	2.1
Composite 3-Yr St. Dev. (%)	14.64	18.54	19.09	16.88	11.14	7.40	7.98	15.67	20.96	22.99	21.22
S&P 500 3-Yr St. Dev. (%)	16.94	18.81	18.32	15.07	9.17	6.92	7.79	15.29	19.91	22.16	18.97
Composite Dispersion (%)	0.94	0.93	1.28	0.73	0.67	0.40	0.51	0.70	1.10	0.40	0.57
Number of Portfolios	70	78	80	87	92	95	86	83	82	88	89
Total Assets (MM)	\$391.1	\$433.8	\$606.3	\$698.7	\$718.7	\$800.2	\$715.6	\$450.8	\$563.3	\$608.2	\$553.6
Total Firm Assets (MM)	\$1,402	\$1,276	\$1,633	\$2,017	\$2,364	\$2,891	\$3,031	\$2,204	\$2,842	\$3,273	\$3,207

## Core Value Equity Performance History

Annualized as of December 31, 2011 (gross of management fees)



	1 Year	3 Year	5 Year	7 Year	10 Year
Core Value	-6.6%	10.8%	-1.0%	2.4%	3.4%
S&P 500	2.1%	14.1%	-0.3%	2.6%	2.9%
R1000 V	0.4%	11.6%	-2.6%	2.0%	3.9%

ICC Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. ICC has been independently verified for the periods 1/1/1995 - 12/31/2011. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

## Firm and Composite Information

ICC Capital Management, Inc. is an independent registered investment advisor investing in domestic equity, domestic fixed income and international equity securities. The Core Value Equity composite was created on January 1, 1995. The Core Value composite includes all institutional and trust portfolios invested in Large Cap Domestic Equities with value characteristics. From January 1, 2006 to March 31, 2010, the minimum asset size for inclusion in the composite is \$600,000. As of April 1, 2010, the minimum asset size to be included in the Core Value composite has been removed due to the investment team's belief that the assets in accounts under the previous minimum can be managed in a similar fashion as all other accounts. Prior to July 1, 2005, ICC carved out single asset class portfolios from multiple asset class portfolios and carved out cash based on clients' target allocation. No alteration of the composite has occurred because of changes in personnel or other reasons. A complete list and description of firm composites is available upon request by contacting compliance department by tel: (800)-480-6445.

## Benchmark(s)

The benchmarks are the S&P 500, Russell 1000 Value or other indices that reflect the investment strategy of the composite. The S&P 500 has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 1000 Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. The S&P 500 & Russell 1000 Value indices are calculated on a total return basis with dividends reinvested and is not assessed a management fee.

## Performance Calculations

Valuations and returns are computed and stated in U.S. Dollars on a time-weighted basis. Results reflect the reinvestment of dividends and other earnings. Beginning January 1, 2005, dividends are being recognized on an accrual basis. Gross-of-fees returns are presented before management fees that were paid, but after all trading expenses. Net-of-fees returns are calculated using the highest fee that may be charged and presented after the deduction of trading expenses. The standard investment fee is 0.50% for first \$20 million, 0.375% for next \$36 million, over \$56 million is negotiable. To illustrate the effect that the 0.50% investment advisory fee may have on your return, after deduction of the advisory fee, the 1-, 3-, 5-, 7- and 10-year returns presented would be -7.06%, 10.20%, -1.48%, 1.85% and 2.84%, respectively. Additional information about regarding ICC's fees is included in its Form ADV Part II. Dispersion of annual returns has been measured by the asset-weighted standard deviation of all accounts included in the composite for the entire year. As of September 30, 2008, significant cash flow is defined as an account within the composite that has over 20% external cash flow as compared to the average cash position of the composite. Prior to this date it was defined as an account within the composite that had over 10% external cash flow. The exclusion of the account is the month in which the significant cash flow occurred. The 3-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request by contacting compliance department by tel: (800)-480-6445.

**Past performance does not guarantee future results.**