



SFE INVESTMENT COUNSEL INC.
inspire trust • invest well

All-Cap Core Growth & Income

A Total Return Investment Approach



- An experienced, capable money management firm
- Committed to delivering professional services with a personal touch
- Strategies for individual and institutional clients
- Claims compliance with GIPS® reporting standards
- An “Emerging Manager” approaching 40 years of experience
- Financially sound and profitable

Company Vital Statistics

<i>Name</i>	SFE Investment Counsel Inc.
<i>Location</i>	Los Angeles, CA
<i>Established</i>	November, 1977
<i>Structure</i>	California ‘C’ Corporation
<i>Ownership</i>	100% Employee-owned
<i>Investment Professionals</i>	5
<i>Average Industry Experience</i>	27
<i>Average Tenure with SFE</i>	20
<i>Succession</i>	Formal Plan in Place
<i>Total AUM</i>	\$314 Million
<i>Composite AUM</i>	\$78 Million
<i>Institutional AUM</i>	\$8 Million
<i>Asset Class</i>	US Equities
<i>Investment Style</i>	All-Cap Core
<i>Benchmark Index</i>	S&P 500 (tr)
<i>Investment Strategy</i>	Total Equity Return
<i>Primary Research Methods</i>	Bottom-up, Fundamental
<i>Diversification</i>	By Sector and Market Cap
<i>Concentration</i>	Average: 20-25 Positions

Assets Under Management (AUM) as of September 30, 2017. The acronym GIPS® stands for the Global Investment Performance Standards, which is a set of guidelines that investment managers should use when reporting performance to prospective clients. GIPS is administered by the CFA Institute.



	NAME	TITLE	INDUSTRY EXPERIENCE (YEARS)	TENURE AT SFE (YEARS)
PORTFOLIO MANAGEMENT TEAM	Charlie Bohlen JD, CFA	VP, Chief Investment Officer	19	15
	Jim Moylan MBA, CFA	VP, Analyst & Portfolio Manager	24	11
INVESTMENT COMMITTEE MEMBERS	Jon Kmett CPA	President	30	27
	Teri McCasland	VP, Operations & Compliance	48	36
	David Thomsen MBA	VP, Business Development	15	11
AVERAGE			27	20



- SFE strives to maximize client returns by adhering to a straightforward, consistent approach to investing
 - Value Oriented
 - Fundamental Analysis
 - Total Return
 - Risk Management

- SFE screens companies of all market capitalizations. Our bottom-up analysis favors US businesses selling into global markets

- Dividends are an important source of total return
 - Sound, established businesses
 - Disciplined financial management
 - Track record of dividend growth



SFE invests in established, dependable, excellent companies that typically demonstrate many of the following characteristics:

- Sustainable and unassailable competitive advantages derived from technological, research and management excellence.
- Five+ years of demonstrated revenue and cash flow growth.
- Shareholder-friendly discipline of returning cash through dividends or other payouts.
- Superior Management committed to:
 - Carefully considered, long-term, sustainable business models
 - transparent and intelligent communications with investors
 - Enhancing shareholder value



- SFE specializes in identifying and following small- and mid-cap companies based on the West Coast
 - Direct contact with Management via phone
 - Periodic visits to Headquarters or Branch Locations

- SFE uses outside research from top-tier independent firms
 - Argus Research
 - Wellington
 - Seaport Global Securities
 - Stratfor
 - Dougherty

- Additional resources are used for in-house research
 - Dorsey Wright
 - Value Line
 - FactSet
 - CSR Hub



- *The Merit Monitor*[™]
 - A “buy list” of 80-100 companies, approved by the Investment Committee, from which custom portfolios are built
- Selection Criterion
 - Global Brand
 - Revenues from International Operations
 - Return on Capital
 - Rising Free Cash Flow
 - Low-Debt Balance Sheet
 - Strong, Consistent Profit Growth
 - Price-to-Book Value
 - History of Increasing Dividends



TOP DOWN VIEWPOINT

ECONOMIC THESIS

E.g., the “global infrastructure build out” will continue

INVESTMENT PREMISE

Therefore, producers and shippers of basic materials will benefit

INTEGRATED TEAM APPROACH

IDEA • RESEARCH • DEBATE • CONSENSUS

STOCK SCREENING

Merit Monitor criteria applied across all market caps to sectors identified above

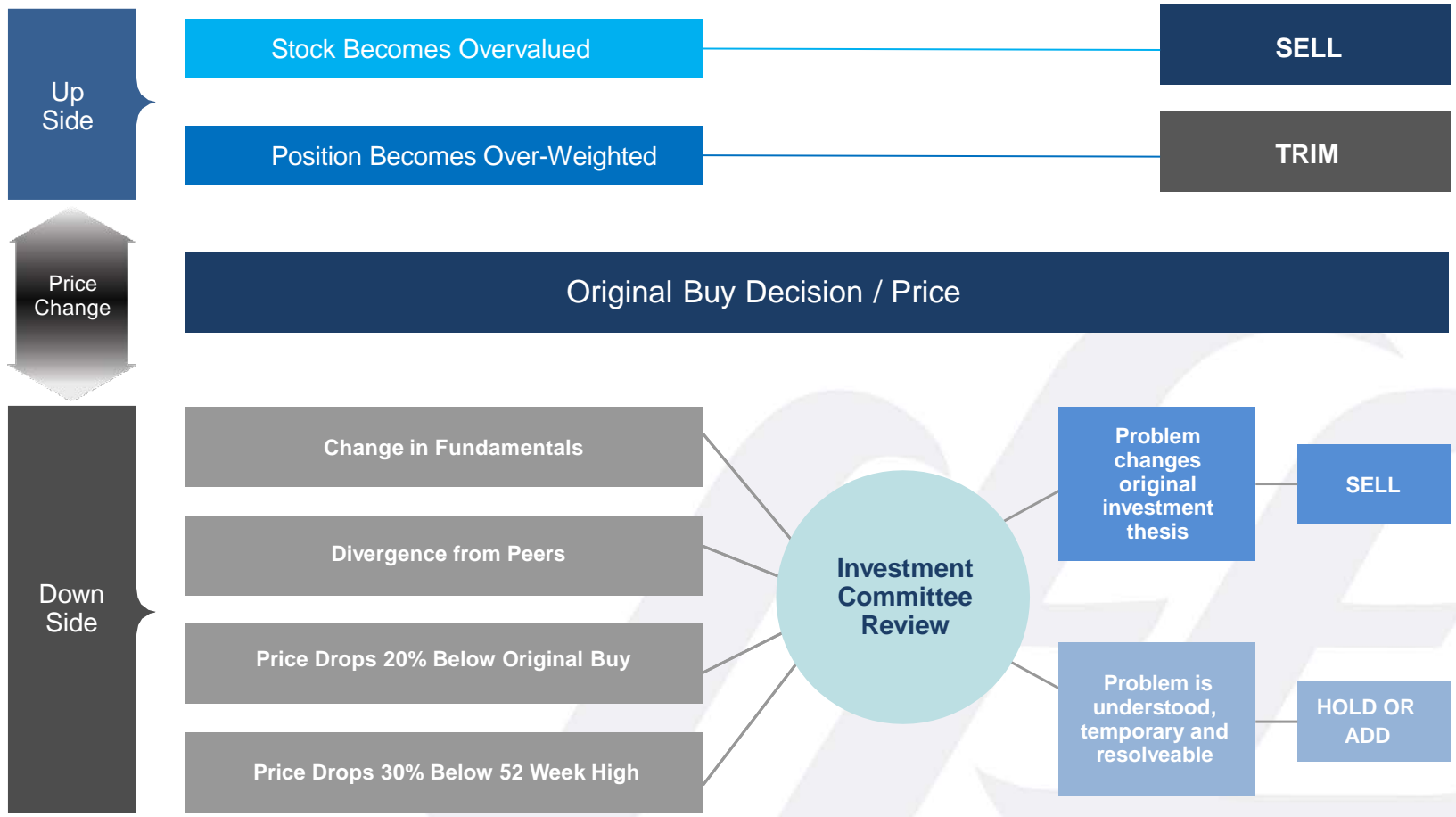
CLIENT MANDATE

Clear understanding of goals and risk tolerance

BOTTOM UP ANALYSIS

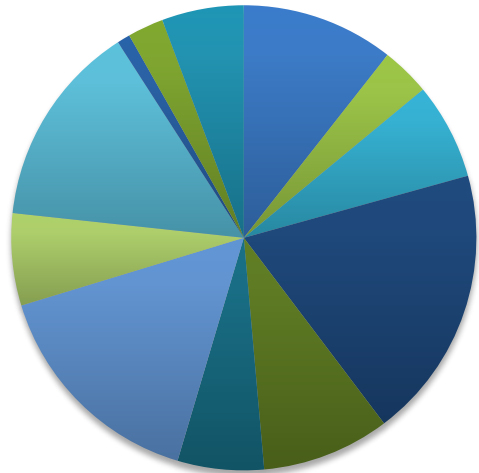
PORTFOLIO CONSTRUCTION

“Total Return” strategy minimizes risk by combining value and growth equities



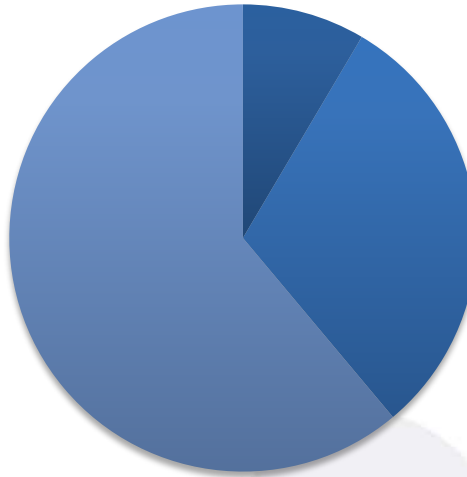


Sector Allocation



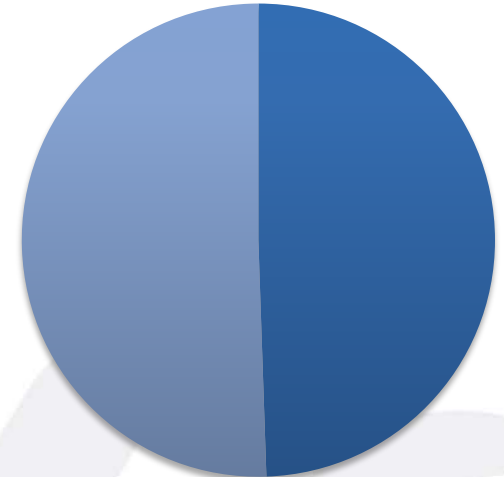
- Energy - 7.6%
- Materials - 5.4%
- Real Estate - 5.8%
- Industrials - 17.0%
- Consumer Discretionary - 8.1%
- Consumer Staples - 4.6%
- Healthcare - 15.6%
- Financials - 6.7%
- Information Technology - 15.2%
- Telecom Services - 0.1%
- Utilities - 2.5%
- Cash Total - 11.4%

Market Capitalization



- Small - 13.1%
< \$2.0 Billion
- Medium - 25.5%
\$2.0 - \$10 Billion
- Large - 61.4%
> \$10 Billion

Growth/Value Breakdown



- Growth - 50%
 - Value - 50%
- SPX / PE - 19.2%

Portfolio characteristics (as of 9/30/17) are based on how GICS categorize companies within each sector. Black Diamond & FactSet provides the information. This is an actively managed strategy and does not mirror the S&P 500 (tr) Index.



Investment Growth



Cumulative Performance period from October 1, 2001 through September 30, 2017. Returns are presented GROSS of ALL FEES and TRANSACTION COSTS. Past Performance is no indication of future results. See Annual Composite Disclosure Presentation on the last page of this document.



Last 10 Calendar Year Returns

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD	Since Inception
All-Cap Core Growth & Inc.	-35.89	35.00	26.97	2.37	10.82	29.07	7.87	-8.67	13.07	8.58	8.00
S&P 500 (tr) Index	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	14.24	7.83

Trailing Returns

Period	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception
All-Cap Core Growth & Inc.	11.51	4.67	9.12	9.79	6.97	8.00
S&P 500 (tr) Index	18.61	10.81	14.22	14.38	7.44	7.83

Performance periods from October 1, 2001 through September 30, 2017. Annualized returns are presented GROSS of ALL FEES and TRANSACTION COSTS. Past Performance is no indication of future results. See Annual Composite Disclosure Presentation on the last page of this document.



Charles E. Bohlen, CFA, JD

Vice President, Chief Investment Officer

Education: BA History & Literature, Harvard College (*magna cum laude*); Yale Law School

The son of a prominent American diplomat, Charlie grew up overseas, spending parts of his youth in France, Russia and the Philippines. Charlie's international experience informs our top-down investment perspective, which seeks to identify secular trends and the industries that stand to benefit. In addition to managing SFE's research activities, Charlie is directly involved in our portfolio review process. He is the Chairman of the SFE Investment Committee and the Co-Portfolio Manager (with Jim Moylan) for the *Pathways™ (SRI) All-Cap Strategy* and the *All-Cap Core Growth & Income Strategy*.

Prior to joining SFE in 2001, Charlie worked in a variety of corporate settings including banking and international finance. Charlie is a Chartered Financial Analyst and was admitted to the Bar in California, Minnesota and the District of Columbia. He is Chairman of the Board of Directors of the Bishop W. Bertrand Stevens Foundation and Treasurer of St. George's Episcopal Church in La Canada.



James T. Moylan, CFA, MBA
Vice President, Lead Portfolio Manager
Education: BS Mathematics, UCLA; MBA Anderson School, UCLA

Jim's career began at Hughes Electronics, where he worked as a Program Manager overseeing government contracts. Jim moved into the investment management business in the mid 1990's and joined McCullough, Andrews & Cappiello, Inc., in San Francisco. During his tenure there, Jim honored his skills as a fundamental analyst and portfolio manager while developing expertise in the Telecom, Energy, Utilities, Healthcare and Technology sectors.

At SFE, Jim brings a high level of fact-based objectivity and discipline to our 'bottom up', fundamental research. He shares portfolio review duties with Charlie Bohlen and also serves as Co-Portfolio Manager for the *Pathways™ (SRI) All-Cap Strategy* and the *All-Cap Core Growth & Income Strategy*. Jim is a leader on the SFE Investment Committee and he has been a member of the CFA Institute since 1997.



Jon M. Kmett

President

Education: BS Business Administration USC

Jon is responsible for the day-to-day operations of the firm. His accounting experience enhances our ability to counsel our clients, many of whom have business, trust and retirement accounts with us – all requiring different tax treatment. Jon is a member of the Investment Committee and Chairs the SFE Board of Directors.

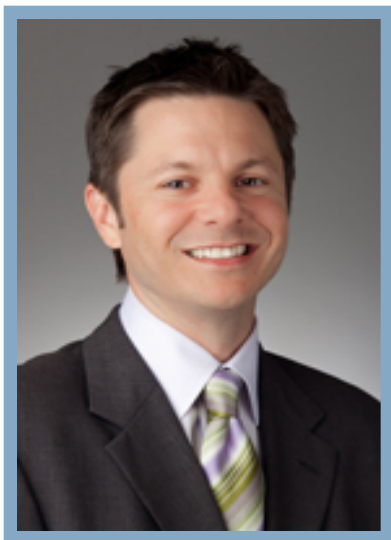
Jon was a Certified Public Accountant and partner with Edward T. Bergin & Co, CPAs prior to joining SFE in 1989. Jon currently serves on the boards of Catholic Big Brothers, the St. Vincent Medical Center Foundation and Millennium Housing.



Teri M. McCasland
Vice President, Chief Compliance Officer
Education: BS Business Management, Pepperdine University

Terri grew up in Connecticut, and began her career in 1969 with Connecticut General Life Insurance in the Securities Accounting Division. She moved to California in 1972 and worked as assistant to the Vice President of Operations and Diversified Securities until 1981, when she joined Earl Fisher at SFE. As Chief Compliance Officer, Teri monitors the regulatory environment and also runs our 'back office'.

Teri graduated from Pepperdine University in 1997 with a degree in business management. She is a member of the Investment Committee and a shareholder in the firm. Teri is an avid golfer and is on the Board and a singer with the Long Beach Chorale and Chamber Orchestra.



David J. Thomsen

Vice President, Business Development

Education: BA Philosophy, La Salle University; MBA University of Colorado, Boulder

David joined the firm in 2006 to attract new clients and to help broaden SFE's institutional relationships. David is also responsible for SFE's GIPS compliance and most daily trading functions. David serves on the Board, SFE's Investment Committee, and is a shareholder in the firm.

A native of Los Angeles, David began his post graduate career writing business plans for start-up internet and technology companies. He began his financial services career in 2001 as a Client Financial Analyst with Citigroup. David is currently a member of the Board of Governors for the Idyllwild Arts Foundation and Honorary Member & Treasurer for the New Center for Psychoanalysis. David was a founding member of the La Salle Rugby club, where he played for 4 years, and enjoys golf and paddle tennis in his spare time.



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Year End	Total Firm Assets (millions)	Composite Assets (millions)	Number of Portfolios	% of Carve Outs	S & P 500 (tr) Index	Annual Composite Performance Results		Composite Dispersion	Ex-Post Standard Deviation (Rolling 3 Years)	
						Gross	Net		Composite	S&P 500 (tr)
2016	\$304	\$87	199	0%	11.96%	13.07%	11.65%	3.93%	10.63%	10.59%
2015	\$283	\$80	190	0%	1.38%	-8.67%	-9.76%	3.58%	10.33%	10.47%
2014	\$324	\$200	346	0%	13.69%	7.87%	6.70%	3.62%	9.06%	8.97%
2013	\$309	\$188	329	0%	32.39%	29.07%	27.76%	3.38%	10.46%	12.11%
2012	\$243	\$148	294	0%	16.00%	10.82%	9.68%	3.23%	13.62%	15.30%
2011	\$240	\$149	291	0%	2.11%	2.37%	1.35%	3.96%	17.00%	18.97%
2010	\$217	\$126	243	0%	15.06%	26.97%	25.77%	6.90%	21.69%	22.16%
2009	\$179	\$62	141	63%	26.46%	35.00%	33.41%	8.51%	19.40%	19.91%
2008	\$183	\$72	142	43%	-37.00%	-35.89%	-36.49%	3.55%	15.57%	15.29%
2007	\$227	\$95	127	47%	5.49%	9.92%	9.04%	7.49%	8.77%	7.79%
2006	\$202	\$85	114	47%	15.79%	15.88%	14.63%	4.44%	8.82%	6.92%
2005	\$172	\$68	83	51%	4.91%	5.46%	4.35%	5.52%	9.03%	9.17%
2004	\$156	\$59	69	59%	10.88%	13.93%	12.74%	3.60%	10.54%	15.02%
2003	\$133	\$47	59	60%	28.68%	21.91%	20.62%	3.76%	N/A	N/A
2002	\$100	\$30	51	68%	-22.10%	-13.67%	-14.63%	3.49%	N/A	N/A
2001	\$94	\$28	47	92%	10.69%	9.24%	8.93%	3.60%	N/A	N/A

(Continued on next page)



Notes:

In 2001 results and dispersion are reported for the period October 1, 2001 through December 31, 2001 only.

Beginning January 1, 2008, composite net returns are calculated by deducting management fees at the account level. Prior to that date, net of fee performance was calculated by deducting a weighted average fee from the gross returns for each year.

Not applicable (n/a) based on the abbreviated time frame.

The *All-Cap Core Growth & Income* strategy seeks to produce returns that consistently outperform the S&P 500(tr) Index while taking less-than-market risk. The investment objective is to preserve capital and achieve long term appreciation by employing an opportunistic, total return approach which includes the reinvestment of all dividends into cash. Cash is used as a strategic position. SFE focuses on US companies that have established a competitive advantage in their industries, have strong global franchises and generate significant revenue from their international operations.

This composite was created October 1, 2001 and contains only fee-paying fully discretionary portfolios. The composite is measured against the S&P 500(tr) Index, which is an index of US stocks designed to represent the US stock market. The minimum portfolio size for inclusion in this composite is \$100,000. Policy requires the removal of any portfolio that falls below \$100,000. The removal of a portfolio occurs at the beginning of the quarter in which the balance falls below \$100,000. The portfolio re-enters the composite the quarter after the balance reaches \$100,000. Additional information regarding the inclusion and exclusion of accounts is available upon request.

SFE management fee schedule for the composite is 2.50% on the first \$100,000, 2.25% on the next \$200,000, 2.00% on the next \$700,000, 1.75% on the next \$2 million, 1.5% on the next \$2 million, 1.25% on the next \$5 million, 1.00% on the next \$10 million and 0.75% on amounts in excess of \$20 million. Actual management fees incurred by clients may vary. SFE's sub-advised management fee is 0.50% subject to a \$500.00 minimum annual fee in most cases. Actual sub-advised management fees incurred by clients may vary.

Composite returns are presented gross and net of management fees. Gross returns for some accounts sub-advised by SFE are stated as gross of all management fees and transaction costs and are shown as supplemental information. Net of fee performance was calculated using actual management fees. Composite results include accounts no longer with the firm.

The annual composite dispersion presented is an asset-weighted standard deviation of the accounts in the composite the entire year. As of 1/1/15 accounts with assets other than equities are no longer eligible to be placed in the strategy. Carve-outs were included in this composite until December 31, 2009. Prior to that date, we took the composite level cash percentage and composite level cash performance and allocated that to the equity returns. Additional information regarding the policy for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

SFE claims compliance with Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS® standards. SFE has been independently verified for the periods October 1, 2001 through December 31, 2016 by Ashland Partners & Company LLP. 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. The *All-Cap Core Growth & Income* composite has been examined for the periods October 1, 2001 through December 31, 2016. The verification and performance examination reports are available upon request.

Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. SFE is an independent investment advisor registered with the SEC. List of composite descriptions is available upon request.