ICM SMALL COMPANY PORTFOLIO

FIRST QUARTER 2008

APRIL 7, 2008

The first three months of 2008 witnessed further deterioration in the U.S. economy, the credit markets, and equity markets both here and abroad. For the fourth consecutive quarter, small capitalization stocks, the Russell 2000 Index, underperformed large capitalization stocks, the S&P 500 Index, although the margin of difference was very small. Within the small cap universe, value stocks, as represented by the Russell 2000 Value Index (the Index), significantly outperformed growth stocks, as represented by the Russell 2000 Growth Index. The ICM Small Company Portfolio (the Fund or the Portfolio) underperformed its primary benchmark, the Russell 2000 Value Index, during the first quarter.

TOTAL RETURN (%)
PERIODS ENDING 3/31/08

	1st Quarter 2008					Periods Ending 3/31/08 Annualized			
	Jan	Feb	Mar	2008 1Q	1 yr	3 yrs	5 yrs	10 yrs	4/19/89 Since Inception
ICM Small Co. Portfolio*	-6.40	-2.58	1.19	-7.73	-8.94	7.41	15.47	9.15	13.98
Russell 2000 Value Index	-4.10	-3.97	1.51	-6.53	-16.88	4.33	15.45	7.46	11.56
Russell 2000 Index	-6.82	-3.71	0.42	-9.90	-13.00	5.06	14.90	4.96	9.43
Russell 2000 Growth	-9.17	-3.46	-0.58	-12.83	-8.94	5.74	14.24	1.75	6.81
S&P 500 Index	-6.00	-3.25	-0.43	-9.44	-5.08	5.85	11.32	3.50	10.34

[1] *The returns shown for the ICM Small Company Portfolio are net of all fees and expenses.*
Total annual Fund operating expenses are 0.87%.
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.

We are disappointed in the performance of the Fund over the last three months, not so much because the Fund underperformed the Index but because of why the Fund underperformed. There were two primary reasons for the Portfolio’s relative performance. First, despite an increase in the exposure to the Financial Services sector from 15.6% of the Portfolio at the end of 2007 to 18.2% at the end of March, the Fund remains underweighted in the sector, which represented 32.9% of the Index on March 31st. Within the Index, Financial Services stocks returned -4.7% versus a return of -6.5% for the Index as a whole. Therefore, the underweight position cost the Portfolio about 40 basis points of relative performance. More importantly, the Portfolio’s holdings within the sector returned -8.9%, far worse than their counterparts in the Index. This “selection effect” cost the Portfolio an additional 65 basis points of relative performance, more than all of which was attributable to the poor performance by the regional bank positions in the Fund. Several of the Fund’s bank positions experienced significant price declines due to problems in their loan portfolios that we did not anticipate. All of these positions were bank holdings that had been in the Portfolio for some time, and, for the most part, had performed relatively well last year.

The second principal reason for the Fund’s relative performance was the performance of the holdings in the Materials and Processing sector (average weight 18.0% versus 12.1% for the Index). The Portfolio’s constituents returned -9.1% versus -4.4% for the sector’s constituents. This is a very broadly diversified sector with many sub sectors. Two relatively important sub sectors, Chemicals and Steel, comprise nearly one third of the total sector, and, in both instances, the Fund’s holdings materially

underperformed their counterparts and accounted for virtually all of the negative "selection effect" in this sector.

Our disappointment in the first quarter's performance relates primarily to the Financial Services area. Obviously, the performance of several of our bank positions caught us off guard and has reinforced our belief in the virtues of diversification when it comes to investing in these and other types of financial companies. As events of the last nine months have demonstrated, the asset side of the balance sheets of companies that lend money can be very opaque, even to the management of those companies. Second, while we have increased the Fund's weighting in this sector, we did not get quite as much additional exposure as we had planned. During the quarter we purchased just less than $103 million of equities and sold just a bit less than $87 million. About one half of the $103 million was invested in Financial Services companies and our net purchases of these types of companies totaled just over $46 million. We focused most of that buying on Real Estate Investment Trusts and Insurance companies as opposed to banks, where we added only a modest amount. In part this may be due to being a bit gun shy after what happened to several of our bank positions. But mostly it is due to our continuing concern about bank loan portfolios after spending a meaningful amount of time talking to and visiting with bank managements from a variety of regions around the country. The very aggressive actions taken by the Federal Reserve in lowering the federal funds rate and establishing a lender of last resort approach to large financial institutions will very probably ease conditions for the banking industry as the year progresses. However, over the near term the outlook is not very pleasant. It is important for any small cap value investor to get it right when it comes to Regional Banks because they are the single largest sub sector of the Index with a weight of over 11%.

When the economic history of the 2007 – 2008 period is written it will make a fascinating and somewhat frightening read. We pretty much know how we got into this mess, and we can see how the authorities are trying to get us out. However, we do not yet know whether they will be successful or how long it will take. The probability of a successful outcome appears fairly high based on history. The phrase "Don't fight the Fed" has a strong basis in past economic crises and their resolution. However, there are so many worrisome factors out there such as the inflation in commodities, the weakness in the dollar, and the indecipherable nature of so many financial instruments that it is tempting to say that this time is different. We do not profess to know the final outcome; but we do take some comfort from several recent events. The apparent calming effect of the solution to the Bear Stearns problem and what appears to be a very modest narrowing of credit spreads are encouraging signs. There are some indications that sales of existing homes are bottoming out. New home sales and orders are still weakening but the large public homebuilders have slashed inventories. Many experts believe that commodity prices have been driven to unsustainable highs by investors and speculators. Should the dollar reverse course and strengthen a bit, a meaningful pullback in oil and grain prices could occur. In that regard, we should all hope for a calm hurricane season and normal summer rainfall. These events are very recent in nature and the direction of commodity prices is uncertain. The next few months are a very crucial time for the economy and for the history of this period.

While the S&P 500 is down only 5% over the last twelve months, it did decline nearly 20% from its highs reached last fall. The S&P 500 also declined for five consecutive months from October 31, 2007 through March 31, 2008. This is a rare occurrence as the S&P 500 has declined for five consecutive months only six times before since 1949. In five of those six cases, the S&P 500 experienced significant gains over the ensuing twelve and eighteen month periods. The average twelve month advance was 22.4% and the average eighteen month advance was an even more impressive 39.3%. The one time that the market fell over the ensuing twelve and eighteen months after a five consecutive month decline was during the bear market of 1973 – 1974. Based on market history the odds seem to favor those who think the very worst period for the stock market is behind us.

Economic history suggests that the combination of the very aggressive easing of monetary policy by the Federal Reserve and the stimulative fiscal policy of the tax rebates and housing support will give the

economy a boost in the second half of 2008. While we agree that this is the most probable scenario, we believe the recovery will be somewhat subdued in nature due to the lingering effects of the credit crunch. While borrowing costs for consumers and corporations may come down a bit from current levels, the availability of credit will be more constrained than was the case earlier in this decade. For this reason, we think that investing in financially strong companies with leading marketplace positions will prove to be more rewarding than was the case in 2003 when lower quality companies with shaky balance sheets led the market higher.

Please feel free to call us if you have any questions or comments about the Portfolio.

Sincerely,

Robert D. McDorman, Jr.	Simeon F. Wooten, III	William V. Heaphy
Principal	Principal	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 Standard & Poor's 500 Stock Index is an unmanaged index composed of 400 industrial, 40 financial, 40 utilities and 20 transportation stocks. The Russell Small-Cap 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.*

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There can be no assurance that the portfolio will meet its stated objectives. 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, smaller companies and narrowly focused investments typically exhibit higher volatility and REIT investments include illiquidity and interest rate risk. Products of the companies in the technology (or biotech) sector are subject to severe competition and rapid obsolescence.

Top Ten Holdings as of March 31, 2008:

Holding	*% of Portfolio*
Penn Virginia Corp.	2.85
Oceaneering International Inc.	2.51
Ametek Inc.	2.28
AptarGroup Inc.	2.24
Esterline Technologies Corp.	1.67
Quanex Corp.	1.52
BorgWarner Inc.	1.50
Kaman Corp.	1.49
CommScope Inc.	1.48
Actuant Corp. (Cl A)	1.45