ICM SMALL COMPANY PORTFOLIO

SECOND QUARTER 2008

JULY 7, 2008

The second quarter of 2008 got off to a very strong start as credit markets appeared to stabilize and first quarter earnings reports met or exceeded expectations for a number of sectors. However, as we entered June, another spike upward in energy and other commodity prices, renewed concerns about investment and commercial bank earnings, rising inflation fears, and signs of deteriorating economic conditions in the U.S. and Europe combined to crush investor confidence and propel the U.S. equity markets to a very weak June performance. Small capitalization stocks, the Russell 2000 Index, outperformed large capitalization stocks, the S&P 500 Index, by a fairly wide margin during the quarter, and pulled ahead for the year-to-date. Small cap value stocks, as represented by the Russell 2000 Value Index (the Index), underperformed their growth counterparts, as represented by the Russell 2000 Growth Index. The ICM Small Company Portfolio (the Fund or the Portfolio) outperformed its primary benchmark, the Russell 2000 Value Index, during the second quarter and for the year-to-date.

TOTAL RETURN (%)
PERIODS ENDING 6/30/08

		2nd Quarter 2008						Periods Ending 6/30/08 Annualized			
	2008 1Q	Apr	May	June	2007 2Q	2007 YTD	1 yr	3 yr	5 yr	10 yr	4/19/89 Since Inception
ICM Small Co. Portfolio[1]	-7.73	4.88	5.34	-8.32	1.29	-6.54	-12.88	6.35	11.72	9.62	13.86
Russell 2000 Value	-6.53	3.16	3.42	-9.60	-3.55	-9.84	-21.63	1.39	10.02	7.47	11.13
Russell 2000 Index	-9.90	4.19	4.59	-7.70	0.58	-9.37	-16.19	3.79	10.29	5.53	9.33
Russell 2000 Growth	-12.83	5.14	5.66	-5.96	4.47	-8.93	-10.83	6.08	10.37	2.80	6.96
S&P 500 Index	-9.44	4.87	1.30	-8.43	-2.73	-11.91	-13.12	4.41	7.58	2.88	10.04

[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.

The Portfolio's relatively good performance during the second quarter was due to several factors. First, the Portfolio's overweight position in the Energy sector (10.8% average weight in the Portfolio versus 7.1% average weight in the Index) and very good relative performance by the holdings in the sector (+54.7% versus +47.4%) were significant positive contributors. Second, with the Financial Services sector turning in the worst performance of the major sectors in the Index, the Portfolio's 17.5% average weight versus the Index's 31.2% average weight in this sector turned out to be a positive this quarter as opposed to a negative last quarter. In addition, the Portfolio's holdings in the sector modestly outperformed their counterparts in the Index (-13.2% versus -14.6%). The third major positive factor was the very strong absolute and relative performance by the Fund's holdings in the Producer Durables sector. The Fund had an average weight of 16.6% in the sector and the holdings were up 6.9% for the quarter. This compares to an average weight of 6.1% in the Index and a return for that sector of -6.2%. Several of the Fund's important positions in the sector performed well and led to the better than average returns.

The Portfolio's holdings in the Materials & Processing sector continue to struggle in a relative sense. While the Portfolio's overweight position in this sector (17.1% average weight for the Portfolio versus 12.7% for the Index) worked out well and the holdings returned a respectable 0.3%, they did underperform their counterparts which were up 10.5%. Most of the poor relative performance is centered in the Portfolio's chemical and steel holdings with the common characteristic being not enough commodity exposure. An underweight position in Utilities (0.4% average weight versus 7.2% average weight) and relatively poor performance by the holdings in the Consumer Discretionary sector (8.9% weight and -15.9% return versus 12.6% weight and -10.1% return) were the two other negative factors of any significance.

It is very hard to discern much if any stimulative effect from the Federal Reserve's aggressive easing of monetary policy or the tax rebate checks. Consumer spending seemed to experience a small bounce in May, but the very weak auto sales in June are more reflective of the state of consumer confidence and near-term consumer spending. Housing is still bumping along the bottom with a downward bias and the negative wealth effect of a declining stock market and weak home prices argues against a pick up in consumer spending in the near-term. It is unlikely that the Federal Reserve will lower interest rates again in the near future; so, it appears that commodity prices, particularly energy prices, hold the key to the economy. We believe that a correction in commodity prices is coming and that this correction will help stabilize the economy and improve the outlook for the credit and stock markets. During the second quarter we added to the Portfolio's Financial, Consumer, and Health Care sectors, and late in the quarter, reduced the position in Energy. Because of the disparity of returns during the quarter, these shifts are hard to discern by simply looking at the quarter end weightings.

We would also point out that the Russell indexes were rebalanced as the end of June and the weighting in Energy declined dramatically while Financial Services and Consumer Discretionary sectors increased. As Energy stocks have advanced at a far faster rate than earnings and book values, many of these stocks have moved into the Mid Cap Index or became "growth" stocks. As a result, the Russell 2000 Value Index is becoming even more dependent on the Consumer and Financial sectors for its returns. It is hard to imagine two sectors that are under more pressure and more out of favor with investors. This is the type of environment where value investors must screw up their courage and put on their contrary opinion hats.

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

Sincerely,

Robert D. McDorman, Jr.
Principal

William V. Heaphy
Principal

Simeon F. Wooten, III
Principal

Gary J. Merwitz
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.*

The ICM Small Company Portfolio is distributed by SEI Investments Distribution Co., which is not affiliated with Investment Counselors of Maryland (ICM) or its affiliates. The material represents the manager's assessment of the portfolio and market environment at a specific point in time and should not be relied upon by the reader as research or investment advice regarding any stock. Neither this material nor any accompanying oral presentation or remarks by a representative is intended to constitute a recommendation of the Fund or a determination of suitability.

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 June 30, 2008:

Holding	*% of Portfolio*
Penn Virginia Corp.	3.25
AptarGroup Inc.	2.39
CommScope Inc.	2.22
St. Mary Land & Exploration Co.	2.00
Oceaneering International	1.96
Ametek Inc.	1.88
Comstock Resources Inc.	1.73
Borg Warner Inc.	1.53
Unit Corp.	1.49
Actuant Corp. (Cl A)	1.49