

# ICM SMALL COMPANY PORTFOLIO

## FIRST QUARTER 2009

APRIL 6, 2009

This year's first quarter resembled last year's fourth quarter in terms of the performance of the U.S. equity market. In both periods the market experienced a significant decline in the first two months followed by a powerful rally through the end of the quarter. As was the case in the fourth quarter, large cap stocks (the S&P 500 Index) outperformed small cap stocks (the Russell 2000 Index). However, in this year's first quarter, small cap growth stocks (the Russell 2000 Growth Index) significantly outperformed small cap value stocks as measured by the Russell 2000 Value Index. The ICM Small Company Portfolio (the "Portfolio" or the "Fund") outperformed its primary benchmark, the Russell 2000 Value Index (the "Index"), in the first quarter of 2009.

<b>TOTAL RETURN (%)</b>									
<b>PERIODS ENDING 3/31/09</b>									
	1 <sup>st</sup> Quarter 2009					Periods Ending 3/31/09 Annualized			
	Jan	Feb	Mar			2009 1Q	1 yr	3 yrs	5 yrs
ICM Small Co. Portfolio <sup>1</sup>	-12.34	-13.83	9.17	-17.53	-42.00	-16.37	-4.61	5.84	10.18
Russell 2000 Value Index®	-14.28	-13.89	8.88	-19.64	-38.89	-17.54	-5.30	4.87	8.18
Russell 2000 Index®	-11.12	-12.15	8.93	-14.95	-37.50	-16.80	-5.24	1.93	6.39
Russell 2000 Growth®	-7.61	-10.35	8.98	-9.74	-36.36	-16.20	-5.37	-1.60	4.06
S&P 500 Index	-8.43	-10.65	8.76	-11.01	-38.09	-13.06	-4.76	-3.00	7.19

<sup>1</sup> 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](http://www.icomd.com).

Additional disclosures can be found on page 3.

Increased concerns about bank earnings and capital ratios and rising worries about commercial real estate values led to renewed weakness in the shares of regional banks, S&Ls, and real estate investment trusts. As a result, the Financial Services sector of the Index performed very poorly. This sector had an average weight of over 37% of the Index, and, with a return of -26.6%, contributed just over 50% of the Index's return of -19.6%. The Fund was significantly underweight in this sector (17.8% average weight versus 37.2% for the Index) and benefited from this position. In addition, the Fund's holdings in this sector did modestly better than their Index counterparts. Two other positive factors of note were the relative performance of the Fund's holdings in the Health Care and Autos and Transportation sectors. The Portfolio was overweight in the Health Care sector (10.2% average weight versus 5.4% for the Index) and the Health Care holdings returned -12.4% versus -18.2% for their counterparts in the Index. Autos and Transportation stocks represented a much smaller portion of the Fund (4.2% average weight versus 3.8% for the Index), but the magnitude of their relative outperformance (-16.5% versus -31.1% for the Index) provided a meaningful positive contribution.

On the negative side, the Portfolio's exposure to the more cyclically sensitive sectors such as Materials & Processing (16.0% average weight versus 9.3% for the Index) and Producer Durables (16.4% average weight versus 6.1% for the Index) penalized the Fund as did the poor performance of the holdings in Materials & Processing (-24.3% return versus -21.9% for the sector in the Index). The Utilities sector continued to exhibit defensive characteristics declining only 12.1% versus 19.6% for the Index. The Fund

continues to be underweight in this sector (1.4% average weight versus 9.4% for the Index). We believe that the defensive nature of the group will face some significant tests especially for electric utilities. As a result, we do not anticipate increasing our allocation to utilities to any significant extent.

The U.S. stock market has experienced two very strong rallies since the bear market began in 2007. The first occurred during the last six weeks of 2008. The most recent began on March 9<sup>th</sup> and continued through the beginning of April. We believe that both rallies were driven by hopes for an end to the recession by the third quarter of 2009. We think that the hope driving the most recent rally has more substance and is based on real fundamental signs of bottoming in the economy.

We think the economy has bottomed out or is very close to the bottom. On the housing front, the decline in mortgage interest rates, the tax incentives designed to spur purchases of new homes, and the significant decline in home prices suggest to us that the bottom in new home construction and sales of existing homes occurred early this year. Lower energy prices, higher tax refunds, increased unemployment benefits, and higher social security payments seem to be supporting retail sales despite a continuing rise in unemployment. Auto sales in March improved significantly from February's pace as used car prices have increased along with incentives on new cars. On the Industrial side, the bottoming process is less clear cut. Capital spending plans have been cancelled or put on hold as capacity utilization has declined. Much of the country's industrial production goes through some form of distribution channel that is not controlled by the producers of the goods. We think that inventories in the distribution channel have been reduced significantly and by more than the decline in final sales. Therefore, we think that orders for industrial goods will level off and begin to increase as we move into the second half of 2009. Finally, government spending is rising rapidly and will continue to increase at a fast pace for the next two years.

This fiscal stimulus on top of a very easy monetary policy, which includes the "printing" of money through the purchase of government bonds, should give the economy a jolt of energy. The Federal Government and the Federal Reserve have allocated and authorized nearly \$12 trillion of financial interventions, guarantees, bailouts, and other forms of investments to shore up the financial services industry and stimulate lending and consumption. This total virtually equals the GDP of the United States. We believe the near term implications of this stimulus are positive for economic recovery and growth. The longer term implications of the Federal Government's very stimulative fiscal and monetary policies are not clear. However, economic theory suggests that these policies could cause some serious problems at some point in the future.

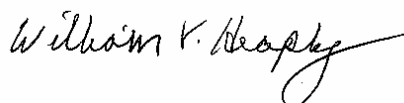
The rally from March 9<sup>th</sup> through the beginning of April has been one of the most powerful on record. While we believe that this rally has more substance behind it than the one late last year, we do not believe that the economy is off to the races. However, if, as we believe, more signs appear that the worst of the declines on consumer spending and industrial production are behind us and a modest recovery in both sectors becomes more visible, the equity market could work higher over the balance of the year. In such an environment, a combination of higher productivity and significantly reduced costs could lead to a greater than expected recovery in earnings on even subdued sales growth. We believe that the Portfolio is well positioned for such an environment.

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

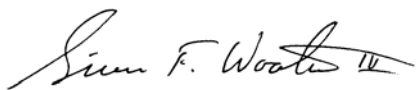
Sincerely,



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. 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. Current and future holdings are subject to risk.*

*Top Ten Holdings as of March 31, 2009:*

<u> Holding </u>	<u> % of Portfolio </u>
AptarGroup Inc.	2.37
Ametek Inc.	2.22
Oceaneering International Inc.	1.97
Bio-Rad Laboratories Inc. (CI A)	1.93
Waddell & Reed Financial Inc. (CI A)	1.65
Prosperity Bancshares Inc.	1.37
Tekelec	1.32
ESCO Technologies Inc.	1.30
BorgWarner Inc.	1.29
Men's Wearhouse Inc.	1.26