ICM SMALL COMPANY PORTFOLIO

SECOND QUARTER 2009

JULY 9, 2009

Over the last three months, much of the economic discussion has centered on green shoots, or signs that the economy both here and abroad was bottoming out. One of those green shoots was the performance of both the domestic and foreign equity markets which experienced powerful rallies off the lows of early March. During the second quarter, both large and small capitalization domestic stocks advanced sharply, with small cap stocks (the Russell 2000 Index) outperforming large cap stocks (the S&P 500 Index). Within the small cap sector, growth stocks (the Russell 2000 Growth Index) outperformed value stocks (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), by a fairly substantial margin in both the second quarter and for the year-to-date.

TOTAL RETURN (%)
PERIODS ENDING 6/30/09

		2nd Quarter 2009						Periods Ending 6/30/09 Annualized			
	2009 1Q	Apr	May	June	2009 2Q	2009 YTD	1 yr	3 yr	5 yr	10 yr	4/19/89 Since Inception
ICM Small Co. Portfolio[1]	-17.53	21.39	4.65	0.90	28.17	5.70	-26.60	-8.35	-0.07	6.30	11.41
Russell 2000 Value Index®	-19.64	15.87	2.16	-0.32	18.00	-5.17	-25.24	-12.07	-2.27	5.00	8.97
Russell 2000 Index®	-14.95	15.46	3.01	1.47	20.69	2.64	-25.01	-9.89	-1.71	2.38	7.31
Russell 2000 Growth Index®	-9.74	15.05	3.87	3.24	23.38	11.36	-24.85	-7.83	-1.32	-0.98	5.10
S&P 500 Index	-11.01	9.57	5.59	0.20	15.93	3.16	-26.21	-8.22	-2.24	-2.22	7.88

[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 performance of the various sectors of the Index, and, to a certain extent, the Fund as a whole reflects the belief by investors that the green shoots do in fact presage a resumption in economic growth later this year. More defensive sectors of the market such as Utilities (8.3% average weight in the Index) and Consumer Staples (4.0% average weight in the Index) lagged behind the rest of the sectors. The Fund was underweight in both of these sectors with an average weight of 1.3% in Utilities and 2.3% in Consumer Staples. A factor of equal significance was the Fund's continued underweight position in Financial Services (17.8% average weight versus 35.3% in the Index). In addition, the Portfolio's holdings in the Financial Services sector significantly outperformed their Index counterparts with a return of 21.0% versus 9.3%.

Obviously being underweight in the three worst performing major sectors meant that the Portfolio was overweight in the best performing sectors, all of which are economically sensitive in nature. This "sector effect" accounted for about 50% of the Fund's outperformance. The "selection effect," or the performance of the holdings in the Fund, accounted for the other 50%. The Portfolio's holdings outperformed their Index counterparts in all but two sectors. The largest negative factor was the relatively poor performance by the holdings in the Other Energy sector (+28.3% versus +43.1%). A modest cash reserve position during the quarter also restrained performance in a rising market.

As we approached the end of the second quarter and entered the third quarter, some questions about the vibrancy of these economic green shoots have arisen. A good deal of the rationale for a resumption of growth in the second half rests on the theory that housing and autos have nowhere to go but up, and that inventory liquidation has run its course. In addition, the very expansive monetary and fiscal policy should, in theory, provide a jolt of energy to the economy. All four of these factors still make sense; but, the timing and magnitude of their impact have become the subject of a vigorous debate. We have not argued that the recovery would be a particularly vigorous one. However, we do think that corporate profit margins will expand quickly in response to even moderate top line growth. The shares of companies that have exhibited better than expected earnings due to lower costs or somewhat less then expected revenue declines have experienced very positive price movements. This better than expected profitability could become more widespread in the third quarter. Until then the market is likely to rise and fall depending on which side of the green shoot argument has the upper hand based on the most recent economic statistic.

A comparison of the first and second quarter end snapshots of the sector weights in the Russell 2000 Value Index shows that the rebalance of the Index at the end of June did result in meaningful changes in several sectors. First, as was the case last year, Other Energy's weight changed dramatically. At the end of March 2009 its weight in the Index was 1.6%. This has grown to 4.5% at the end of June with the rebalance accounting for most of that increase. As a result, the Fund is now only modestly overweight in that sector and we are comfortable with that current relationship. Two other changes of note occurred in Consumer Staples, which declined from 4.4% of the Index to 2.3% at the end of June, and in Producer durables which increased from 6.4% to 9.0%. Primarily because of its poor second quarter performance, the Financial Services sector has become slightly less important at 34.0% of the Index versus 36.5% in March. Despite this decline, the performance of this sector is still the tail that wags the dog in terms of the performance of the Value Index relative to the Russell 2000 and the Russell 2000 Growth Indexes.

As this is being written, second quarter earnings season is about to get underway and the commentary that accompanies those earnings releases will have a lot of influence on day-to-day market movements. We doubt that managements will offer exuberant forecasts, but any evidence of stabilizing or expanding profit margins will be taken as signs of improvement. In addition, balance sheets will be closely scrutinized and they should show continued improvement. The second quarter witnessed record setting investment grade corporate bond issuance largely used to pay off short-term and/or near-term debt. In addition, companies issued nearly $100 billion of additional equity in recent months. As a result, financial risk seems to have been greatly ameliorated over the last six months. Therefore, the primary determinate of the direction and level of stock prices will likely be the level and pace of recovery in corporate earnings.

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

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

Top Ten Holdings as of June 30, 2009:

Holding	*% of Portfolio*
AptarGroup Inc.	1.96
Ametek Inc.	1.87
Oceaneering International Inc.	1.85
CommScope Inc.	1.74
Bio-Rad Laboratories Inc. (Cl A)	1.69
Cooper Tire & Rubber Co.	1.46
Group 1 Automotive Inc.	1.45
OM Group Inc.	1.33
Michael Baker Corp.	1.31
Varian Inc.	1.30