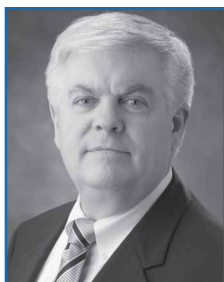


NORTHWEST VIEWPOINT

Winter 2006

A Newsletter Published by
ICM Asset Management



Jim Simmons, CFA
Founder, CEO,
and CIO of ICM

ICM Celebrates 25 Years of Value Investing—

Throws Anniversary Party at Spokane's
Historic Arbor Crest Winery to Celebrate

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ICM Celebrates 25
Years of Value
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*Happy Holidays
to all our
valued clients
and friends!*

After moving from Michigan to the great Pacific Northwest in the 1970s, and overseeing a trust department for a local bank, Jim Simmons, Chartered Financial Analyst, Chief Executive Officer, and Chief Investment Officer, decided to put his intellectual curiosity to work by founding Inland Capital Management on July 1, 1981, with \$6 million in assets under management.

ICM began to expand its client base and in 1989, we changed the firm's name to ICM Asset Management, Inc. After 10 years in business, ICM grew to manage nearly \$150 million, with clients in 14 states and 11 employees.

In 1996, ICM reached many landmarks: we hit \$1 billion in assets under management, we expanded our offices in the downtown Washington Mutual Financial Building, and we added three more shareholders.



Jim & Chris Simmons

This summer, ICM held its 25th anniversary celebration at the historic Arbor Crest Winery, which overlooks the Spokane River by some



Vicki & Tim Chervenak

450 feet. Over 130 local clients, employees, and their families took in the scenery and the sunset, while listening to a local jazz band, enjoyed food and wine, and watched a presentation that spanned the entire 25 years at ICM. The evening concluded with Tim Chervenak, our COO and President, presenting Jim with an achievement award that now sits in our lobby, and Jim expressing his gratitude to all who attended, especially to those who have been instrumental in the success of the firm.

Thanksgiving has passed, the New Year is upon us, and ICM continues to grow—we now have 11 family and employee shareholders, over 40 employees from a variety of departments such as Research, Portfolio Management, Trading, Compliance, Operations, IT, and Client Services, and over \$1.9 billion in assets under management (as of November 1st).

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Although we have international and institutional clients as large as \$400 million, we remain true to our roots, and continue to manage assets for many of the same friends (individuals, corporations, Taft-Hartley plans, and endowments and foundations to name a few) who selected us in our early years.

Without your support, ICM would not have successfully achieved this landmark—a quarter of a century of doing what we love—helping people reach their financial objectives. Thank you to all of our friends, families, and community members. We look forward to continued growth (and more celebrations) in the years to come.

Welcome

Please join us in welcoming the newest member of our team:

Weiling Zhu, CFA, CPA, MAcc
Senior Vice President/Fixed Income Portfolio Manager



We are pleased to announce that on November 1, 2006, Weiling Zhu, Chartered Financial Analyst and Certified Public Accountant, was hired as a Senior Vice President and Fixed Income Portfolio Manager for ICM, who is now responsible for co-managing just over \$720 million in fixed income assets for the firm.

“We are incredibly excited to have someone with such an impressive investment background as Weiling join ICM. She is an excellent match for this position, which requires an in-depth,

comprehensive understanding of the fixed marketplace and security structures,” said Jim Simmons, CFA, CEO and CIO. “I believe that her strong, inherent knowledge base will contribute significantly to the quality and to the long-term success of our fixed income clients’ portfolios.”

Weiling most recently served as Chief Investment Officer and Vice President for a Washington state-based \$1 billion-asset sized life insurance company where she was responsible for managing a \$700 million portfolio that consisted of diversified bonds and preferred stocks, and was charged with leading both the company’s asset/liability management program and the hedge program, which involved interest rate caps and floor options.

She earned a Master’s of Accountancy (MAcc) from Gonzaga University and a Bachelor of Arts in finance from Shenzhen University in China. Weiling currently serves as the President of the CFA Society of Spokane, and is a member of both CFA Institute and the American Institute of CPAs. Weiling is married to her husband Vinson and has two children, Justin and Jeslyn.

For more information on our fixed income and equity strategies or if you have additional questions, please contact our Client Services Team at 800.488.4075 or at clientservices@icmasset.com.

Kudos

F. David Crowder, CIMA
Senior Vice President/National Sales Manager



David, who holds the Certified Investment Management Analyst designation, was promoted to Senior Vice President and National Sales Manager.

In this expanded role, he leads the overarching business development and relationship management efforts for both institutional and advisory services markets across the country. He brings over 13 years of investment and marketing experience to ICM’s team. David earned his MBA and BBA in finance from the University of North Texas.

Employee Spotlight

At ICM we take tremendous pride in the quality of our staff, and are always on the lookout for talented people to strengthen the breadth and depth of our team. We’d like to share some of our valued employees with you:



April Stoltz, CPA, CFE
CFO/Vice President/Corporate Treasurer

As Chief Financial Officer and Corporate Treasurer, April oversees the

strategic financial activities of ICM, which includes forecasting, executing departmental business plans, developing budgets and their controls, and appraising corporate operational results. She earned a Bachelor of Arts in accounting from Washington State University and brings 10 years of experience to ICM. April is a Certified Public Accountant, a Certified Fraud Examiner, and is a member of both the Washington Society of Certified Public Accountants and the Association of Certified Fraud Examiners.

Jeffrey D. Wilson
Research Analyst



Jeff is actively responsible for performing fundamental, bottom-up equity research on small and small- to mid-cap value companies from a variety of sectors. Jeff also performs due diligence, creates financial models, and manages special projects for the Research Team. He is working toward becoming a Chartered Financial Analyst and is currently a Level II candidate in CFA Institute’s charter holder program. Jeff earned a Bachelor of Business Administration from Gonzaga University, with a double major in accounting and finance.

Spencer T. Shelman
Research Associate



Spencer analyzes, performs due diligence, and recommends portfolio investments of small and small- to mid-cap value companies. He also monitors relevant company and

industry developments on existing companies held within the portfolios. Spencer is currently a Level II candidate in CFA Institute’s charter holder program in order to attain the Chartered Financial Analyst designation. He earned a Bachelor of Science with a double major in finance and economics from Washington State University.

Anissa F. Bay
Client Services Manager



As Client Services Manager, Anissa oversees a team of four administrative and support staff. Beginning her impressive career in 1989, Anissa works closely with ICM’s clients and financial advisors, communicating portfolio management strategies and performance results, handling account-related requests, and managing client-centric special projects. She also sits on ICM’s Operating Committee and is co-leader of the firm’s Investment Services Team, which integrates the Client Services, Trading, and Operations departments, and was formed to maximize efficiencies to best serve our clients’ needs. Anissa graduated magna cum laude from Whitworth College, earning a Bachelor of Arts in organizational management.

Tammy McLaughlin
Client Services Administrator



Tammy is responsible for communicating portfolio performance results, holdings, and investment strategies to ICM’s clients and financial advisors, in addition to preparing client reports and actively

responding to client-directed requests.

Tammy’s previous client relationship experience includes defined benefit and contribution plan communications, comprehensive client reporting, and detailed fund allocation monitoring. She earned an Associate of Arts degree from Spokane Falls Community College.

Web Sightings

If you haven’t visited ICM’s Web site lately at www.icmasset.com, we invite you to do so. Not only will you find information about our investment professionals, strategies, commentary letters, and links to investment resources, you will also find our latest communications from the “What’s New” and “ICM in the News” links:

- ▲ Listen to our **Small and Smid Portfolio Manager Roundtable** where you can hear our PMs discuss their economic outlooks and portfolio insights for each quarter, and
- ▲ Read in-depth articles such as the most recent *Wall Street Transcript* interview with **Jim Simmons** titled “Investing in Small-Cap Value Stocks” where Jim discusses our philosophy and process.

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Charitable Causes & Events

Part of our Corporate Mission for Community Giving reads:

Investing in Our Future

ICM's goal is to provide our community with the foundation for a bright future. We pledge to do this by encouraging Spokane youth and community residents to learn and prosper through our support of cultural activities, diversity, family safety, and education.

Investing in Our Community

ICM is dedicated to building a stronger, more vibrant Spokane area by committing financial support, encouraging employee involvement, and providing opportunities for children that reflect the richness and unique needs of our expanding community.

With that statement in mind, ICM supported the following non-profit organizations and their sponsorship events during 2006:

- ▲ Big Brothers Big Sisters
- ▲ Children's Miracle Network
- ▲ Gonzaga University
- ▲ Healing the Children
- ▲ Inland Northwest Blood Center
- ▲ Junior Achievement
- ▲ Make-A-Wish Foundation
- ▲ Morning Star Boys Ranch
- ▲ Ronald McDonald House
- ▲ The Sacred Heart Foundation
- ▲ Spokane/Coeur d'Alene Opera
- ▲ Spokane Symphony
- ▲ St. Luke's Rehabilitation Institute
- ▲ Vanessa Behan Crisis Nursery
- ▲ Whitworth College
- ▲ Women Helping Women
- ▲ YMCA



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