BRADY INVESTMENT COUNSEL LLC

LARGE CAP GROWTH STRATEGY

2011 REVIEW AND 2012 MARKET OUTLOOK

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LARGE CAP GROWTH STRATEGY REVIEW AND MARKET OUTLOOK

Full-Year 2011 Investment Performance

The Brady Investment Counsel LLC Core Growth equity investment strategy gained 2.5% in 2011, after deducting all fees and expenses and including cash. We performed ahead of the unmanaged S&P 500 Equity Index's 2.1 % advance and well ahead of the 2.5% drop recorded by our Morningstar Large Cap Growth peer universe. Our performance was in line with the 2.6% gain made by the unmanaged Russell 1000 Growth Index.

2011 Winners & Losers

The top performing Core Growth holdings were Chipotle Mexican Grill (CMG-$338), Exxon Mobil Corp. (XOM-$85) and World Fuel Services Corp. (INT- $42). Each advanced 59%, 18% and 17%, respectively. All three companies have best-in-class managements and are expected to report solid, if not impressive 2011 full year sales and earnings results. CMG shares received an extra boost last year with the opening of the company's first ShopHouse Asian spin-off in September. ShopHouse indicates that CMG's vision of the "food with integrity" market is more than just Mexican cuisine. Importantly, CMG's long-term growth potential increases substantially with each successful ethnic version. As for the Mexican franchise, we wait patiently for management to maximize untapped store potential by opening for breakfast. Can you say organic breakfast burrito?

Avon Products (AVP-$17) as well as St. Joe Company (JOE-$15) were 2011 the laggards declining 37% and 33%, respectively. AVP is an attractive company. The Avon brand is well-known around the world. The company's balance sheet is solid and AVP has been impressively profitable. As recently as calendar 2010, AVP earned a whopping 45% return on the book value of their equity. What is more, the company's cash dividend increased for 25 consecutive years, earning the AVP a spot on the prestigious Standard & Poor's Dividend Aristocrats list. However, all of these good things combined could not offset bad management. The folks in charge of AVP lost control in 2011 to the point where financial guidance was withdrawn late in the year. For perspective, dropping guidance is a highly unusual step for any company, especially one of AVP's size. It is all but unheard of for a major player in the steady-state Consumer Staples sector.

The crummy Florida housing market played a role in JOE's 2011 poor performance. A short-selling raid quadrupled the troubles. Late in 2010, a well-known hedge fund manager presented a negative report on JOE's Florida real estate portfolio. He went on to broadcast to the large crowd, made up mostly of other hedge fund managers, that JOE was his top "short." To comprehend the significance of these remarks, first understand that short sellers (shorts) borrow shares from current owners and sell them in the open market. Shorts impose downward pressure on the target company's stock price by aggressively selling their borrowed shares. A profit is made by covering the position - buying back the borrowed shares previously sold - at a lower price. The purchased shares are returned to the lender and the trade is closed. Think of shorting as buying low and selling high - only in reverse. The second, more subtle, point is hedge fund managers tend to be copycats. They like to jump in and trade the ideas of other like-minded fund managers. A short selling raid is created when enough pile into the same trade. JOE is a great example. It seems, taking cue from their leader, much of the rest of the NYC hedge fund community also initiated JOE short positions. Currently, 17% of JOE's total outstanding shares are held by short sellers believing/hoping the price will fall. For perspective, the current short position is 18 times JOE's average daily volume. We estimate it would take 360 days to cover the position without influencing the share price higher. The stock market is only open for business 252 per typical year.

Trading

Our annual portfolio review and rebalance yielded substantial changes for 2012. Core Growth's average market cap more than doubled to $49 billion from $22 billion last year. Holdings concentration also increased with individual investments declining to 24 versus 30 in 2011. Trading activity was guided by our current view that the best risk-adjusted investment ideas are large cap companies with significant sales and earnings growth potential. In contrast, last year our rebalance favored companies with attractive dividend yield and downside protection.

Holdings concentration brings an element of risk, as just one company can have a significant impact on overall portfolio performance. However, our large-cap bias mitigates some of this risk. Large caps are less volatile than either small caps or emerging market investments. Plus, large companies are better scrutinized by Wall Street and have superior access to both human and financial capital. Combine all of this with our positive outlook for large caps, and we feel assured in concentrating our investments in big, high-quality, U.S.-based growth companies. After all, evidence of a large cap growth revival already exists. The Russell Top 200 Growth Index, which measures performance of the world's largest growth companies, advanced 4.6% in 2011, or approximately two times the broad market's return.

In spite of all the changes, half of our company investments have been held in the portfolio for over one year. Of these, the median holding period is three years. As for the 12 companies new to the 2012 portfolio, 10 have been included in previous Core Growth versions.

The fact that we re-invest in previously held companies provides useful insight into our investment process, which begins with investment universe development. We believe the probability of achieving superior portfolio performance over the long run improves markedly by actively maintaining a universe packed full of high-quality growth companies. Our investment universe is a list of 120-150 top-performing companies that have been thoroughly analyzed and deemed potentially eligible for portfolio inclusion. During our rebalance, conducted each year between August and December, we build our portfolio for the coming year from the best risk-adjusted total return opportunities in our universe at that time. We closely monitor portfolio holdings for the rest of the year, adding to companies that are underappreciated and chipping those that are dear. When a high-quality company no longer presents an attractive risk-adjusted return, it goes out of the portfolio and back into the universe until the market accommodates the next opportunity.

Universe development is labor intensive and highly repetitious. Think of a golfer comparing 12 sets of clubs. In order to determine which is best for each condition, he stands on the range in the sun, rain and wind and hits a thousand balls with each set. That is investment universe development. We scour the market for high quality growth companies. Once found, we work hard to standardize their historic and projected operating results for cross comparison with other universe companies.

Portfolio construction and management, on the other hand, are about generating superior risk-adjusted performance. In our case, this is carried out by selecting the best 20-50 risk-adjusted opportunities from our investment universe. Back to the golf example, imagine you are about to take on a tough opponent. You are familiar with the course and have determined it will be sunny, dry and calm for your round. You then select the best set of clubs for the course and conditions. To complete the set, you go back to your workshop and grab a previously used putter ideally suited for rolling the ball over hard, fast greens. With your clubs over shoulder, and armed with experience and understanding, you take it to the course full of conviction. Ideally, when the day is done you have strategically made your way around all 18 holes to win the match…by seven shots.

Sector Weighting

Our top sector weightings versus the S&P 500 are Technology (36%) and Healthcare (20%). We are market weight in the combined Consumer sectors (22%), tilted toward Discretionary (16%). We are underweight Industrials (3.5%), Energy (5.1%) and Financials (13.0%) and have no holdings in Utilities, Materials and Telecom Services.

Clearly we are bullish on Technology. While near-term spending trends are murky, we view both wireless and cloud computing as big opportunities that are both in early stage. In addition, advances in chip processing power should pave the way for computer upgrades as well as new, exciting, life changing software applications. We have not had Tech exposure this high in over 10 years.

We also favor the Healthcare sector. Confusion brought about by changing regulations and key patent expirations at leading pharmaceutical companies have created a buying opportunity. Moving forward, the regulatory environment is projected to be better understood; plus, the pipelines for key biopharmaceutical companies are filling up. This is because well-run healthcare companies invest heavily in research & development (R&D). It is not uncommon for leading companies to spend 17%-18% of their revenues to discover and bring new products to market. Our job is to identify and opportunistically invest in the companies capable of creating substantial shareholder value through their R&D.

Demographic trends also support our Healthcare sector thesis. Boomers are aging and consuming more medical drugs, products and devices. Healthcare companies benefit from the trend. Though, one has to be careful not to get too caught up in the aging U.S. theme. By the year 2020 the U.S. population will actually be younger than China! Importantly, an aging population is not a requirement for the sector’s long run success.

Market Outlook

The S&P 500 finished 2011 at $1,258 or approximately 6% below our 2011 fair value estimate. The market has rallied 5% to $1,316 from year end through January 27, 2012. While the early gain is impressive, the market remains 2% undervalued relative to our January 2012 estimate and 7% undervalued relative to our $1,420 year end estimate. Combine an 8% capital appreciation potential with a 2% dividend yield and realize the market can generate a 10% total return over the rest of this year and still finish at fair value. If this happens, the market will have achieved a 15% total return for the year. A mid-teens return is impressive enough to generate interest in the stock market, especially among the masses that have been shoveling money into bonds, gold, and emerging markets as of late.

Of course, there are near-term risks. The European debt crisis and our economy's recovery are the primary macro concerns. Solving the European debt problem is a challenge. But there are ways to correct against too much borrowing, as the U.S. continues to model. The eventual solution will likely involve wealthy, relatively well-run countries bailing out the less well run. In exchange, the less well run will balance their budgets through spending cuts and possibly tax increases. Positively, the unintended consequence could be a pleasant surprise. Government spending must be cut to solve Europe's collective fiscal problems. Europeans refer to spending cuts as austerity. We view them as opportunity. Long-term benefits will be great if the European entrepreneurial spirit is awoken as government becomes a smaller piece of their economic puzzle.

U.S. economic momentum seems to be building, albeit slowly. GDP growth has accelerated over the past three quarters to advancing at a 2.8% rate in 2011's fourth quarter (4Q). Unfortunately the 4Q increase was helped by inventory restocking and exports. You cannot restock inventories forever and uncertainty in Europe creates doubt for our exports. Positively, Consumer Spending, which is nearly 70% of our economy, climbed 2.0% in the 4Q, with consumers still managing to save 4.7% of their income for the year. Therefore, we view core GDP growth acceleration as continuing, consistent with its recent trend. This is because the 4Q consumer spending advance was greater than the 1.8% overall GDP gain made in the third quarter (3Q).

Bank capital - the fact that it really exists today - is the most significant positive factor supporting our economy. With real capital (assets - liabilities = equity = capital) on their books, banks are making loans again. Loan growth turned positive in the third quarter, and remained there in the fourth. Full year 2011, loan growth was positive for the first time since 2008. New loans are the lifeblood of the economy. Making capital available to existing and potential new businesses – especially job-creating small businesses – is a requirement to build on current economic momentum.

The Fed's Operation Twist will likely provide a boost to lending activity. Operation Twist is where banks trade their intermediate-term Treasury investments with the Fed in exchange for the Fed's short-term Treasuries. Therefore, as a result of the Twist trade, bank Treasury portfolios will mature sooner than they otherwise would have. Banks must make a decision on what to do with the cash now, as opposed to some point in the future: Simply, banks can either invest in new loans or re-invest in Treasuries. The current prime lending rate is 3.25%. The 10-year Treasury yield is 1.9%. The current core inflation rate is also 1.9%. This indicates banks can either earn a positive real return (a return in excess of inflation) by investing in new loans or purchase Treasuries and earn nothing - after adjusting for inflation. The choice is obvious, at least for profit-minded banks.

The dark side of increased lending is inflation. Prices for goods and services will rise if banks were to transfer their enormous stash of excess reserves into the economy at a pace faster than productivity growth. We see inflation as a real risk over the intermediate-to-long term, but not the near term. It will take time for banks to ramp up their lending machines. Plus, capital requirements are still up in the air, which clouds the current environment and dampens loan creation. For perspective, however, banks could conceivably make a whole bunch of loans. There are approximately $1.5 trillion in excess reserves held on deposit with the Fed earning 0.25%. These excess reserves were created by the Fed and made their way on to bank balance sheets via two rounds of Quantitative Easing (QE). Applying a conservative 5:1 gearing ratio to the excess reserve total yields $7.5 trillion with a "T" in new loans, an amount equal to half the size of annual GDP. If you were the world's only widget manufacturer and new your only customer had 50% more cash in hand, wouldn't you raise the price of widgets?

The banking system's solid capital base also puts banks in an improved position to approve short sales and foreclose bad loans. At the start of the housing collapse back in 2007, we were puzzled as to why banks did not move swiftly to write down problem loans. In hindsight, we know banks did not clean up the mortgage mess because they did not have the balance sheet strength/flexibility to do so. In fact, at the time, bank equity was actually negative after considering the market value of their failed loans and off-balance sheet investments – mostly known as structured investment vehicles or SIVS. Today, however, after $400 billion in TARP, shuttering their SIVS, two rounds of QE, and highly conservative lending over the past four-and-one-half years, banks have equity capital to cushion their liabilities from problem loans (loans = bank assets). Recently, we have heard anecdotal stories about banks moving fast to close the books on bad loans. Borrowers who were turned down short-sale requests a year ago are now being approved.

Finally, the housing market is improving and may even turn up sooner than many expect. Even in a slow growth economy homes need to be built to meet population-growth based demand and to replace existing units removed from supply. Since the bubble burst in 2007, homebuilding activity has been well below the long-term trend. Slow home creation was required for supply to come back to demand. Soon, however, an inflection point will be reached. Housing activity will improve from a very low base, simply to meet core demand. Once the housing market finds the bottom there is only one way to go and that is up!

Large Cap Growth Stock Investment Case

According to Morningstar, the typical large cap growth equity mutual fund advanced at a 19% annual rate over the past three years. Compare this to the typical bond fund which gained 7.0% annually over the same period. In spite of recent returns heavily favoring stocks over bonds, mutual fund investors pulled $150 billion out of stock funds and shoveled $130 billion into bond funds. If you think the fund flow data appear backwards, you are not alone. However, there is a plausible explanation: It is because mutual fund flows follow historic returns, they do not anticipate future returns. Three years ago, just prior to fund investors piling their money into bonds, the bond market increased at a 5.5% annual rate over the then preceding three-year period ending 12/31/2008. The stock market, on the other hand, lost value at an 8.4% annual rate. Back then, in spite of the Financial Market Crisis presenting equity investors with a once-in-a-generation opportunity to own in the very best companies at deeply discounted prices, fund investors jumped for bonds never to look back - at least not yet. Once again, keep in mind that fund flows follow historic returns.

Today, historic returns for stocks compare well to bonds and other recently hot alternatives like emerging markets as well as commodities. With the past as our guide, we expect flows to return to stocks in the near future, potentially driving valuations higher. Demand for the large cap growth equity space, in particular, should benefit. Historic large cap growth investment returns are impressive. Plus, expected risk-adjusted return potential for large caps is promising, especially when compared to bonds. Finally, large caps are liquid and can handle a lot of new cash.

Conclusion

Before wrapping up, we will mention that in November 2011, Informa Information Solutions, a leading investment manager performance tracking service, awarded Brady Focus its TOP GUN: BULL & BEAR MASTER recognition. For the three years, ending September 2011, a period which included the depths of the Financial Crisis, our concentrated large cap growth strategy performed at the top of its peer group. Brady Focus achieved a 7.7% annual return versus a 2.8% for the typical large cap growth manager. In addition, our superior performance was made by gaining more than the market as it advanced and then holding onto gains better than most as the market declined. For more information please see: http://www.bradyinvestmentcounsel.com/pdfs/2011%2011%2017%20Bull%20&%20Bear%20Market%20Top%20Gun.pdf.

To conclude, we would like to thank our clients for your support and remind you that your referrals are out very best source of growth for Brady Investment Counsel LLC. Referrals are appreciated! We welcome your questions and comments. In the meantime, we will do our best to adhere to our proven investment philosophy of outperforming by investing in quality, well-run, growth companies while diligently executing our investment process.

Cordially,

Dave

LARGE CAP GROWTH
PORTFOLIO STATISTICS AND ATTRIBUTES

Core Growth Portfolio

David P. Brady, CFA, developed and manages the Brady Investment Counsel LLC Core Growth Strategy (Core Growth). Prior to founding Brady Investment Counsel LLC, Mr. Brady was lead portfolio manager of the Stein Roe Young Investor Fund (Young Investor Fund) from September 1994 through March 2003. Mr. Brady employs substantially the same investment philosophy and strategy to manage the Core Growth Strategy as he did to manage the Young Investor Fund.

Core Growth investment performance has been recognized as superior when compared to our large cap growth peer group as well as the overall market. Informa Investment Solutions (IIS) has three times awarded Core Growth Portfolio its Top Gun designation, for being among the top 10 performance leaders, in their large cap growth universe over varying periods: For the three-month period ending September 30, 2009; the three-year period ending and December 31, 2006 and the three-month period, ending December 31, 2006.

Prior to forming Brady Investment Counsel LLC, between September 1994 and December 2002, our large cap growth philosophy and strategy were used to guide the Stein Roe Young Investor Fund. Over that period, the fund performed in the 16th percentile of the Morningstar large cap growth peer group. In addition, MONEY magazine recognized the Young Investor Fund as a MONEY 100 Fund for five consecutive years ending December 2002, Mr. Brady’s last full year as lead manager. The award recognized MONEY’s top 100 mutual funds in America.

TABLE 1

CORE GROWTH PORTFOLIO	
MINIMUM ACCOUNT SIZE	$500,000
Standard Management Fee	50 basis points
Equity Holdings	20-50
Target Portfolio Turnover	20%-50%
Current Yield	1.6%
BIC LLC Inception	March 20, 2003
Core Growth Composite Inception	March 31, 2003
Strategy Inception	September 30, 1994

Focus Portfolio

David P. Brady, CFA, CIC also manages Brady Focus. Our Focus investment strategy is built from the most opportunistic holdings in the Core Growth Portfolio. Other than the number of holdings, the primary difference between Focus and Core growth is our investment time horizon. For Focus, our time horizon is 1-3 years versus 3-5 years for Core Growth. As the name implies Brady Focus is a concentrated portfolio, typically including 10-15 positions. It is volatile and suitable only for those who understand and accept the risks inherent to a concentrated investment strategy.

Focus has been recognized for superior investment performance as well. For the three-year period ending September 30, 2011, IIS designated Brady Focus as a TOP GUN; BULL & BEAR MASTER for outperforming the large cap growth peer group. Not only did Focus outperform its peers, it did so by gaining more than the market as the market climbed and holding onto gains better than most as market declined.

TABLE 2

FOCUS INVESTMENT STRATEGY	
MINIMUM ACCOUNT SIZE	$500,000
Standard Management Fee	50 basis points
Equity Holdings	10-15
Target Portfolio Turnover	40%-100%
Current Yield	1.6%
Focus Composite Inception	April 30, 2008

DYNAMIC LONG-TERM PERFORMANCE ANALYSIS

Total Return captures performance at a point in time. Even though total return is widely used to evaluate investment managers, it does not tell the entire story. This is especially the case for a manager with years of experience. Therefore, it is helpful to analyze investment results over time. We call this dynamic performance analysis. Our two favorite dynamic metrics are batting average and bounce-back performance. Batting average measures how often we have outperformed the market and our style indices over selected time periods. Just as in baseball, the higher the batting average the better the performance. Batting average can also be thought of as a probability used to estimate the likelihood that we will outperform over a set period of time.

Bounce-back performance, on the other hand, captures how well we perform after we have underperformed our comparable indices over a specified period. The fact is we will underperform from time to time. A high bounce-back performance gives us conviction in our investment approach. If we were to notice bounce-back drifting lower, then we would revisit our investment process and its execution to see how we could improve. Bounce-back performance can also be thought of as the probability that we will outperform after a period of underperforming.

Batting Average

Table 3 below demonstrates that we have outperformed the market 80% of the time, measured after fees & expenses and including cash, on a monthly rolling five-year basis and 100% of the time on a monthly rolling 10-year basis.

Table 3

BATTING AVERAGE				
Monthly Rolling Return Data After Management Fee & Trading Expense. Including Cash. 9/30/1994 -12/31/2011				
(% Periods of Brady Core Growth Outperformance)				
Brady Large Cap Growth Investment Strategy	Brady Core Growth Composite			Core Growth Strategy (Includes Prior Firm Results)
	1-Year	3-year	5-Year	10-Year
Vs. Russell 1000 Growth Index	56%	63%	73%	100%
Vs. S&P 500	54%	63%	80%	100%

Bounce-Back Performance

Table 4 shows our 3-year bounce-back performance vs. the S&P 500 is 71%. This means we have outperformed the S&P 500 71% of the time after underperforming the index in the preceding three years. Versus the Russell 1000 Growth Index, our three-year bounce-back performance is 98%. In other words, in the 17-plus years we have managed the Core Growth investment strategy, we have outperformed the Russell 1000 Growth Index 98% of the time over the next three years after underperforming in the preceding three years.

Table 4

BOUNCE-BACK PERFORMANCE			
Monthly Rolling Return Data After Management Fee & Trading Expense. Including Cash. 9/30/1994 - 12/31/2011			
(% Bounce-back Brady Core Growth Outperformance)			
Brady Large Cap Growth Investment Strategy	Brady Core Growth Composite		
	1-Year	3-year	5-Year
Vs. Russell 1000 Growth Index	60%	98%	100%
Vs. S&P 500 Index	67%	71%	100%

TABLE 5

COMPOSTIE STATISTICS				
BRADY INVESTMENT COUNSEL LLC Large Cap Growth As of December 31, 2011				
$ IN BILLIONS	CORE GROWTH	FOCUS	S&P 500	RUSSELL. 1000 GROWTH
Number of Holdings	24	12	500	588
Median Market Capitalization - $bil.	$45	81	$11	$5.6
Largest Co.'s Market Cap - $bil.	$385	$385	$406	$417
Smallest Co,'s Market Cap - $bil.	$1.3	$11	$1.2	NA
P/E Multiple				
Trailing – '11	18x	18x	13x	16x
Forward – '12	15x	13x	12x	14x
Growth Rates – Annual Percent				
Dividend 5-yr. Historic	12%	15%	2%	NA
EPS 5-Yr. Projected	15%	15%	10%	14%

TABLE 6

COMPARATIVE HISTORIC RETURNS									
Annualized Investment Results Brady Core Growth and Focus Investment Strategies Net of all fees & expenses Ending December 31, 2011									
							Inception		Management Tenure (days)
Strategy	Comments	1-year	3-year	5-year	10-year	15-year	Firm 03/31/2003	Strategy 9/30/1994	
Core Growth	Columbia Young Investor Fund is predecessor	2.5%	17.3%	1.3%	6.1%	6.5%	10.6%	9.9%	6,301
Focus[1]	Limited to 10-15 holdings	2.4	18.9						1,340
S&P 500	Long-term benchmark	2.1	14.1	-0.2	2.9	5.4	6.7	7.9	
Morningstar Large Cap Growth Category	Investment style peer group	-2.5	15.3	0.8	2.3	5.0	n/a	n/a	
Notes: 1. Focus inception date is 4/30/2008. Focus inception annualized return = 5.2% vs. MS LCG cat. -1.0%									

BRADY INVESTMENT COUNSEL LLC

TABLE 7

INDEX AND STYLE PERFORMANCE AND VOLATILITY COMPARISON

Year Ending December 31

	CORE GROWTH				3-YR. STANDARD DEVIATION[1]		
YEAR	GROSS-OF-FEES RETURN (%)	NET-OF-FEES RETURN (%)	S&P 500 INDEX (%)	RUSSELL 1000 GROWTH INDEX (%)	CORE GROWTH (%)	S&P 500 INDEX (%)	RUSSELL 1000 GROWTH INDEX (%)
2011	3.0	2.5	2.1	2.6	21	19	18
2010	15.5	15.0	15.0	16.7	25	22	22
2009	37.8	37.3	26.4	37.2	23	20	20
2008	-34.6	-35.1	-37.0	-38.4	16	15	16
2007	0.9	0.4	5.5	11.8	8	8	9
2006	18.1	17.6	15.8	9.1	8	7	8
2005	4.0	3.5	4.9	5.3			
2004	23.0	22.5	10.9	6.3			
03/2003-12/2003[2]	52.1	51.7	32.8	31.6			
09/1994-03/2003 [3]	9.7	9.2	9.2	7.20			

Footnotes:

1. Standard deviation figures are for Brady Investment Counsel only.
2. Composite inception is 3/31/2003. Partial year results.
3. Predecessor product.

TABLE 8

SECTOR BREAKDOWN Large Cap Growth As of December 31, 2011				
SECTOR	CORE GROWTH (%)	FOCUS (%)	S&P 500 (%)	RUSSELL 1000 GROWTH (%)
CONSUMER DISCRETIONARY	17	20	11	14
CONSUMER STAPLES	5	0	11	13
ENERGY	4	7	12	11
FINANCIALS	13	8	14	4
HEALTH CARE	20	16	12	11
INDUSTRIALS	4	8	11	13
TECHNOLOGY	36	40	19	28
MATERIALS	0	0	3	5
TELECOMMUNICATIONS	0	0	3	1
UTILITIES	0	0	4	0
OTHER	0	0	0	0
CASH	1	1	0	0

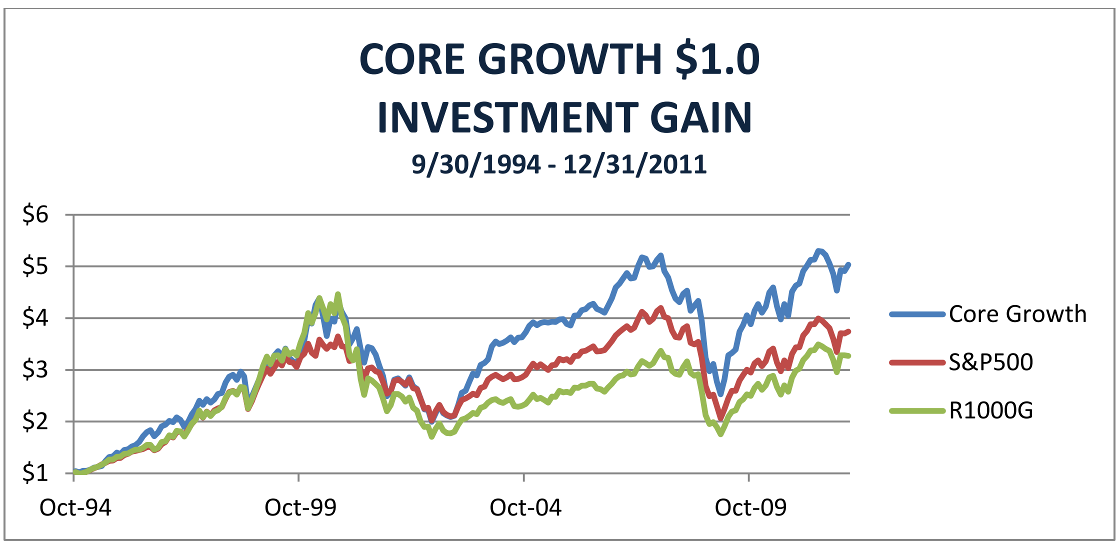
TABLE 9

TOP 10 HOLDINGS Core Growth Portfolio As of December 31, 2011		
NAME	SECTOR	% INVESTED ASSETS
Chipotle Mexican Grill	Consumer Discretionary	10.3%
Microsoft Corp.	Technology	5.3
Johnson & Johnson	Health Care	5.0
The Coca-Cola Co.	Consumer Staples	5.0
Accenture PLC	Technology	5.0
Gilead Sciences Inc.	Health Care	4.2
Kinder Morgan, Inc.	Energy	4.2
Amazon.Com, Inc.	Consumer Discretionary	4.1
Intel Corp.	Technology	4.1
Apple, Inc.	Technology	4.1

TABLE 10

TOP 10 HOLDINGS		
Focus Portfolio As of December 31, 2011		
NAME	SECTOR	% INVESTED ASSETS
Chipotle Mexican Grill	Consumer Discretionary	11.6%
Microsoft Corp.	Technology	8.2
Gilead Sciences Inc.	Health Care	8.1
Cisco Systems	Technology	8.0
Abbott Labs	Health Care	8.0
Oracle Corp.	Technology	8.0
Boeing Co.	Industrial	7.9
Amazon.Com, Inc.	Consumer Discretionary	7.9
Intel Corp.	Technology	7.9
Apple, Inc.	Technology	7.9

TABLE 11



Additional Product Information, Disclosures and Compliance Statement:

Brady Investment Counsel LLC claims compliance with the Global Investment Performance Standards (GIPS®) since March 31, 2003. GIPS® compliant composite performance presentations are available upon request. Our GIPS® performance has been verified by αlpha Verification, an independent, certified verifier through December 31, 2010.

Investment performance prior to March 31, 2003 is for The Stein Roe Young Investor Fund (the Fund). The Fund's past performance has been presented for supplemental evaluation purposes only. Linking returns is not necessarily GIPS® compliant. We do not claim that our linked performance is GIPS®. Mr. Brady was lead manager of the Fund from September 1994 to March 2003. He employs substantially the same investment strategy managing the Brady Investment Counsel LLC Core Growth Composite as he did managing the Fund. The Stein Roe Young Investor Fund data were provided to Brady Investment Counsel LLC by Columbia Management Group, the Fund's advisor. Brady Investment Counsel does not warranty their accuracy.

Brady Investment Counsel LLC large cap growth performance represents time-weighted rates of return for a dollar-weighted composite of that portion of all fully discretionary taxable and tax-exempt accounts managed in accordance with the Firm's respective large cap growth equity strategy whether focused or diverse. Accounts greater than $100,000 are eligible for inclusion. Performance is calculated monthly in U.S. dollars on a total return basis. Composite Creation Date: March 31, 2003. Gross returns are time-weighted; include cash and a return on cash, and after deducting trading expenses. Net returns are gross returns after deducting our maximum 0.50% (fifty basis points) management fee accrued monthly. Carve-out portfolios were eliminated from the Composite beginning March 31, 2008.

Prior to March 2003, the Core Growth gross returns are presented before management fees but after certain expenses of the Stein Roe Young Investor Fund (the Fund). The Core Growth net investment results are presented after deducting the standard Brady Investment Counsel management fee of 0.50%. David P. Brady was the lead manager of the Fund between September 1994 and March 2003. Mr. Brady employs substantially the same investment strategy of buying high quality growth stocks at a market price below their intrinsic value managing the Firm's Core Growth Strategy as he did while managing the Fund. The Fund's investment returns are given as supplemental information only. The Fund performance numbers were provided to Brady Investment Counsel LLC by

Columbia Management Group, the Fund's advisor. Brady Investment Counsel does not guarantee their accuracy.

The Russell 1000® Growth Index is a subset of those Russell 1000® Index securities with a greater-than-average growth orientation. Companies included in the Index tend to have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth than value securities. The index is unmanaged and does not hold cash, reflect transaction costs or management fees and other expenses. Unlike the index, a portfolio is actively managed and may include substantially fewer securities than the number of securities comprising the index. Investors cannot purchase interests directly in an index.

The S&P 500 Index includes a representative sample of 500 leading companies in leading industries of the US economy. Unlike a portfolio, the S&P 500 Index is market-weighted and focuses on the large-cap segment of the market. Returns reflect the reinvestment of dividends. The index is unmanaged and does not hold cash, reflect transaction costs or management fees and other expenses. Unlike the index, a portfolio is actively managed and may include substantially fewer securities than the number of securities comprising the index. Investors cannot purchase interests directly in an index.

Past performance is not indicative of future returns. Past GIPS® Compliance does not guarantee future compliance. Contact Brady Investment Counsel LLC for their up-to-date opinion on Brady Investment Counsel Core Growth Composite GIPS® Compliance.

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