

BRADY INVESTMENT COUNSEL LLC

INVESTMENT REVIEW

ANNUAL REPORT FOR THE PERIOD ENDING
DECEMBER 31, 2005

2005

OS277 KELLAR SQUARE
GENEVA, ILLINOIS 60134-5308
WWW.BRADYINVESTMENTCOUNSEL.COM

INVESTMENT REVIEW

ANNUAL REPORT FOR PERIOD ENDING DECEMBER 31, 2005

TO OUR CLIENTS AND INTERESTED INVESTORS

SUMMARY

2005 was good year in spite of the difficult market environment. The Core Strategy model portfolio was up 8.3% in 2005, compared to gains of 5.3% for the Russell 1000 Growth Index and 4.9% for the S&P 500. Investments in Hewlett-Packard, Lehman Brothers and HCA significantly contributed to the Core Strategy's out performance during the past year. Lehman Brothers and HCA were existing holdings to start the year, while Hewlett-Packard was added during the 1st quarter.

Brady Investment Counsel LLC investment strategies are truly unique. Our portfolio decisions are based on proprietary research and an internally developed trading model. The 2005 performance results continue to validate our rigorous and time tested investment philosophy and process. Over the past 20 years, we have learned that the best way to make money for our clients on a risk-adjusted basis is to invest in quality companies capable of achieving substantial increases in both sales and earnings over the long run. We do so with great conviction when our fundamental value appraisal is substantially greater than that of the general market's.