BRADY INVESTMENT COUNSEL LLC

INVESTMENT REVIEW

PERIOD ENDING JUNE 30, 2007

2007 QUARTERLY REPORT

PERFORMANCE AND ATTRIBUTION ANALYSIS

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INVESTMENT REVIEW

For the three-month period ending June 30, 2007, the Brady Investment Counsel Core Growth Composite achieved a 9.5% return compared to a 6.9% total return for our style benchmark Russell 1000 Growth Index and a 6.3% return for the S&P 500 Index.

Although our investment strategy is centered on investing in a diversified portfolio of large cap growth companies, over the 12-plus years that we have managed the Core Growth portfolio there has consistently been a portion devoted to small and medium cap companies. Our thesis is that large cap quality growth companies will provide a steady, stable equity return over time while the small companies (which typically grow fast and operate in large markets) add to our long-term return potential. We recognize that small companies come with an additional set of investment risks not found in large companies but feel the potential return benefits outweigh these risks.

We highlight our small cap investment strategy because two of our small cap holdings significantly helped June Quarter performance. Shares of our long-time investment in Ventana Medical Systems (VMSI-$77) gained nearly 100% during the quarter. The big increase came on the heels a hostile takeover bid made for the company by French Pharmaceutical manufacturer, Roche (RHHBY-$89). We continue to hold our VMSI position as the Roche offer does not fully reflect the company's full value. Another small cap company, Chipotle Mexican Grill (CMG-$85) also added to our 2Q performance by gaining 41%. These shares appreciated rapidly as the market has come to recognize CMG's growth potential and value.

Trading was mostly inactive during the quarter. We sold investments in CDW Corp. (CDWC-$85) and Medimmune (MEDI). Both have recently received takeover offers at premiums to our fair value estimates. No new positions were added; although, we expect that to change as we complete our investment review later this summer. We need a few good ideas. Over the past year, eight of our forty-something portfolio investments have been either taken private or received an offer to be taken private. Loosing 15%-20% of our holdings to LBOs in one year is unprecedented over my 20-plus year investment career.

One interesting point on the current LBO trend, management/industry insider lead deals have carried take out premiums smaller than the premiums paid by financial buyers. Of course it is always a troublesome sign when financial buyers pay too much for businesses that by title and definition they do not fully understand. So doing greatly reduces the probability of achieving their hoped for risk-adjusted investment returns. If financial buyers continue to pay too much for leveraged deals, then someplace down the road there will be an increase in negative volatility as these once-pricey investments are marked down to fair market value. Investors in private equity, hedge funds, lenders and purchasers of the securitized debt will be left to hold the mostly empty bag.

INVESTMENT RETURN SUMMARY

Brady Investment Counsel LLC Performance Highlights		Investment Returns as of June 30, 2007				
	3- Mo. (%)	6-Mo. (%)	1-Year (%)	3-Year (%)	Firm Inception 03/31/2003 (%)	Strategy Inception 09/30/1994 (%)
BIC Core Growth – Gross	9.5	9.2	26.4	14.0	24.1	14.3
BIC Core Growth – Net	9.4	9.0	25.8	13.4	23.5	13.8
Russell 1000 Growth Index	6.9	8.1	19.0	8.7	13.3	9.4
S&P 500 Equity Index	6.3	7.0	20.6	11.7	16.5	11.6

Brady Investment Counsel Core Growth Composite					As of June 30, 2007		
Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Russell 1000 Growth Index (%)	Number of Portfolios	Equal Weighted Dispersion (%)	Total Composite Assets ($ 000)	Total Firm Assets (%)
YTD	9.2	9.0	8.1	7	0.61	3,611	33%
2006	18.1	17.5	9.1	3	0.97	1,700	N/A
2005	4.0	3.5	5.3	2	N/A	783	N/A
2004	22.3	21.7	6.3	2	N/A	633	N/A
03/31/2003-12/31/2003	52.7	53.2	31.2	1	N/A	317	N/A
09/30/1994-03/31/2003	9.7	9.2	7.2	1	N/A	700,000	N/A

Additional Product Information, Disclosures and Compliance Statement:

Brady Investment Counsel LLC has presented this report in compliance with the Performance Presentation Standards of the CFA Institute (formerly AIMR), the U.S. and Canadian version of the Global Investment Performance Standards (GIPS®). The CFA Institute has not been involved in the preparation or review of this report. Performance prior to March 31, 2003 is of The Stein Roe Young Investor Fund (the Fund). The Fund's past performance has been linked to the Core Growth Composite performance for supplemental evaluation purposes only and is not GIPS compliant. 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 Core Growth Composite 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 Core Growth large cap growth equity strategy whether focused or diverse. Accounts greater than $400,000 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.

Prior to March 2003, the Core Growth gross returns are the linked to the investment returns before management fees but after certain expenses of the Stein Roe Young Investor Fund (the Fund). The Core Growth net investment results are linked to The Fund's net returns are after deducting the maximum 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 managing the Firm's Core Growth Strategy as he did while managing the Fund. The Fund 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 there 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 necessarily indicative of future returns and the value of an investment may decrease as well as increase, an investor may not receive the amount initially invested, and income, if any, may fluctuate. The value of an investment may be affected by a variety of factors, including economic and political developments, interest rates and foreign exchange rates, as well as issuer-specific events. Performance records of any accounts and composites presented herein reflect the particular guidelines, cash flows and timing considerations applicable to that account or group of accounts. Careful consideration should be given to the potential differences between any account opened in consideration of the information contained in this presentation and the results of any accounts shown herein. Tracking and calculating investment performance is cumbersome and inexact. Brady Investment Counsel puts forth its best effort when calculating performance. This not withstanding, mistakes can be made. Brady Investment Counsel LLC reserves the right to change previously reported performance numbers without notification and free from liability should the firm discover a computational mistake that leads to a change in previously reported performance. Contact Brady Investment Counsel for the firm's most up to date investment performance data.