

NICHOLAS COMPANY, INC.



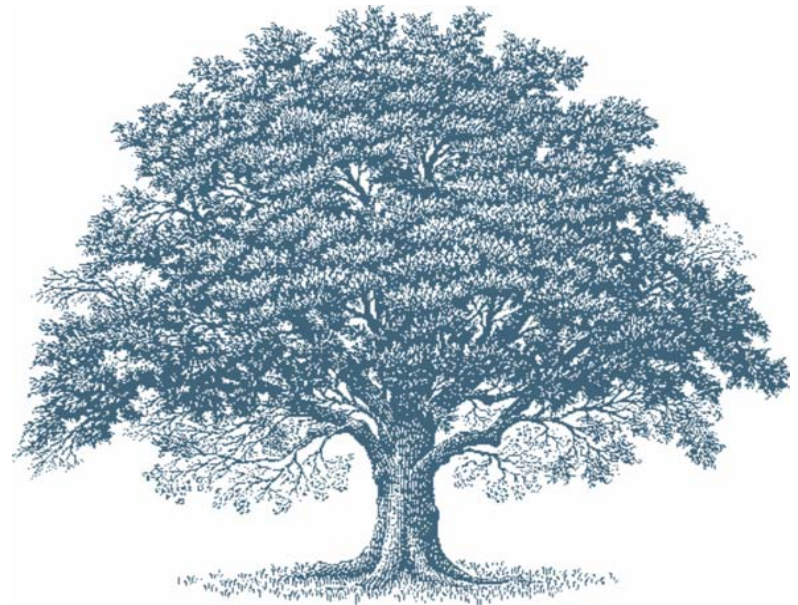
**PERFORMANCE AND PORTFOLIO STATISTICS AS OF
DECEMBER 31, 2011**

**LAWRENCE J. PAVELEC
SENIOR VICE PRESIDENT**

LPAVELEC@NICHOLASFUNDS.COM

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INVESTMENT PHILOSOPHY

Research focus on small- and mid-cap companies that we feel have consistent and sustainable earnings growth potential



A Value Approach to Growth Investing

INVESTMENT PROCESS

Uncover high quality growth companies in growth industries

Determine companies that hold dominant positions within their industries

Utilize our analyst network to develop proprietary, fundamental research

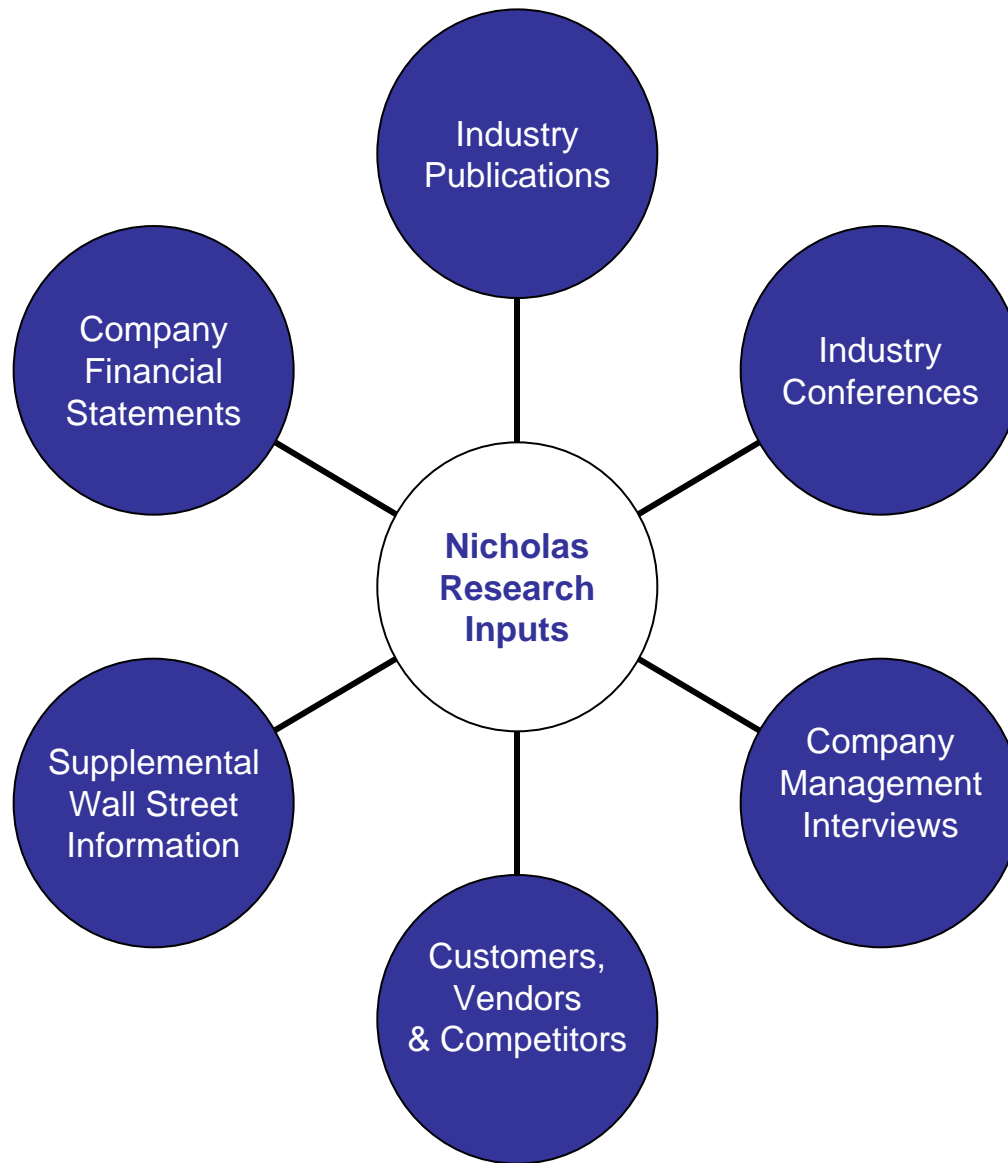
Invest in stock of companies trading at reasonable valuations

STOCK SELECTION

Nicholas invests for the long-term in high quality growth companies trading at reasonable valuations, which meet our criteria:

- Occupy a leading or strategic position within industry
- Own an enduring franchise, product or brand
- Undiscovered, under followed or out-of-favor company or industry
- Sustainable earnings growth of 10-25% annually over an economic cycle
- Consistent or improving corporate earnings
- Attractive operating margins
- Ability to generate positive free cash flow
- Low debt ratios
- Reputable management team with meaningful stock ownership
- Attractive valuation

Nicholas research
is the compilation
of inputs, which
in turn
uncovered
potential
purchase
candidates



Fundamental Business Analysis	Fundamental Financial Analysis	Valuation Assessment
Industry Growth Rate	Operating Margins	Low relative P/E Ratio
Industry/Competitive Position	Strength of Balance Sheet	EPS Growth
Quality of Management	Free Cash Flow	Price/Sales

QUALITY AND PRICE DRIVE OUR BUY AND SELL DECISIONS

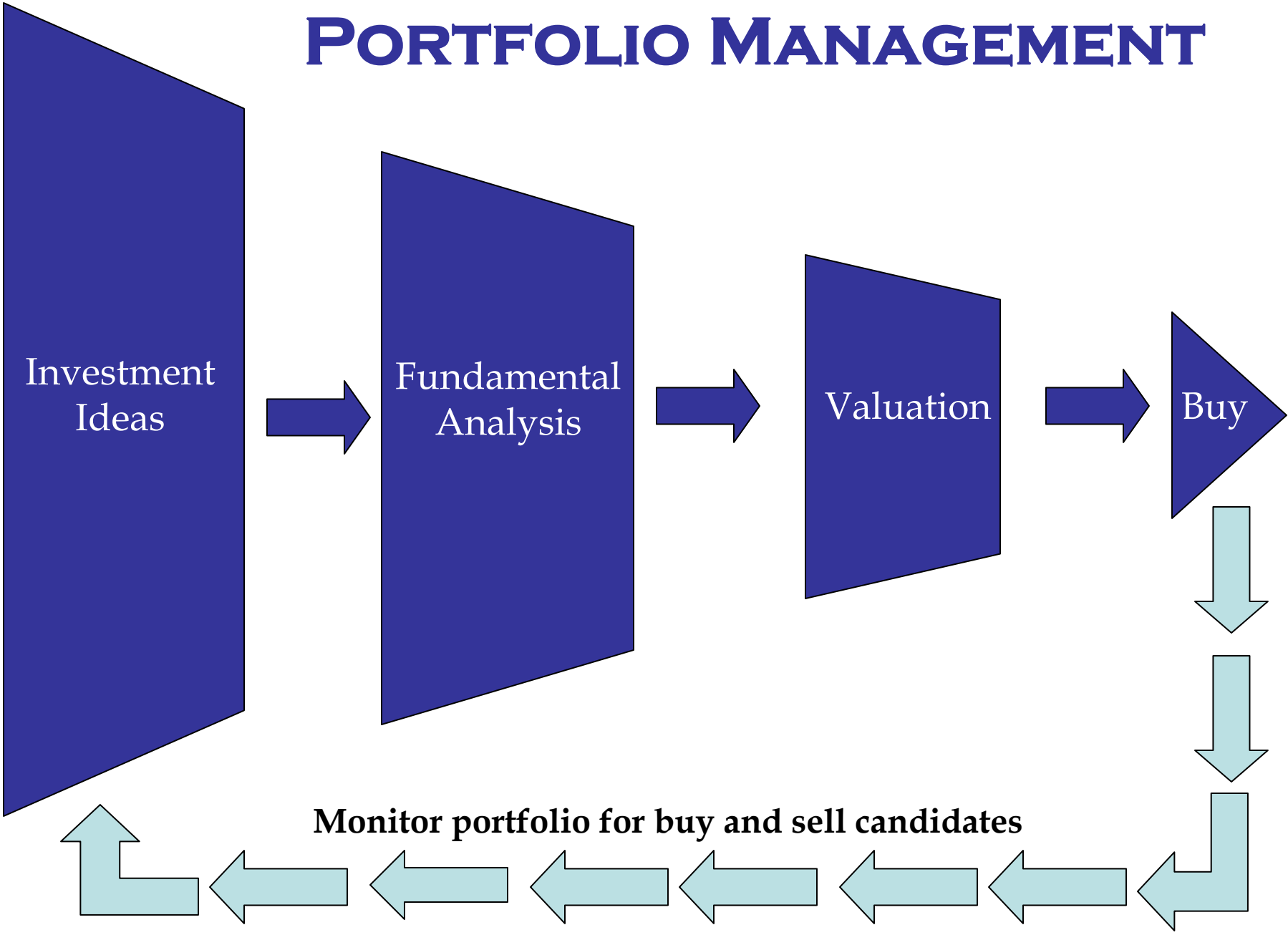


- Market volatility is treated as an opportunity to buy high quality growth companies
- A stock with a price not supported by sound business and financial fundamentals is sold



A disciplined valuation approach provides less volatility in down markets, while offering participation in bull markets.

PORTFOLIO MANAGEMENT



FOUR MAIN EQUITY STYLES



Multi-Cap Growth Portfolios



Mid-Cap Growth Portfolios



Small-Cap Growth Portfolios



Equity Income Portfolios

COMPOSITE PERFORMANCE

AS OF DECEMBER 31, 2011

GROSS RETURNS

	<u>Assets (in millions)</u>	<u>Quarter</u>	<u>Year-to-Date</u>	<u>12 Mths</u>	<u>Average Annual</u>		
					<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Multi-Cap Growth Equity	\$ 1,551.7	13.44%	5.18%	5.18%	20.14%	4.14%	5.22%
S&P 500		11.82%	2.11%	2.11%	14.11%	-0.25%	2.92%
Mid-Cap Growth Equity	\$ 561.1	12.90%	0.94%	0.94%	17.37%	3.88%	5.47%
Russell Midcap Growth		11.24%	-1.65%	-1.65%	22.06%	2.44%	5.29%
Small-Cap Growth Equity	\$ 222.2	12.44%	2.28%	2.28%	20.47%	6.64%	7.25%
Russell 2000 Growth		14.99%	-2.91%	-2.91%	19.00%	2.09%	4.48%
Equity Income	\$ 170.9	11.88%	2.47%	2.47%	19.64%	6.19%	7.92%
S&P 500		11.82%	2.11%	2.11%	14.11%	-0.25%	2.92%
High Yield Bond	\$ 96.4	6.69%	5.70%	5.70%	18.27%	5.65%	6.17%
B of A Merrill Lynch U.S. High Yield Master II Constrained		6.19%	4.37%	4.37%	23.83%	7.54%	8.73%

The Composites' Annual Disclosure Presentation located in the Addendum is an integral part of this presentation.

COMPOSITE PERFORMANCE

CALENDAR YEAR

GROSS RETURNS

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Multi-Cap Growth Equity	5.18%	21.87%	35.27%	-31.04%	2.41%	10.15%	6.39%	12.60%	29.57%	-20.52%
S&P 500	2.11%	15.06%	26.46%	-37.00%	5.49%	15.79%	4.91%	10.88%	28.69%	-22.10%
Mid-Cap Growth Equity	0.94%	22.78%	30.47%	-30.14%	7.10%	8.96%	6.69%	12.72%	34.07%	-19.86%
Russell Midcap Growth	-1.65%	26.38%	46.29%	-44.32%	11.43%	10.66%	12.10%	15.48%	42.71%	-27.41%
Small-Cap Growth Equity	2.28%	32.77%	28.77%	-29.63%	12.07%	7.43%	8.77%	14.97%	40.85%	-22.82%
Russell 2000 Growth	-2.91%	29.09%	34.47%	-38.54%	7.05%	13.35%	4.15%	14.31%	48.54%	-30.26%
Equity Income	2.47%	23.12%	35.73%	-22.88%	2.23%	26.01%	0.49%	20.78%	23.15%	-15.69%
S&P 500	2.11%	15.06%	26.46%	-37.00%	5.49%	15.79%	4.91%	10.88%	28.69%	-22.10%
High Yield Bond	5.70%	13.86%	37.46%	-22.66%	2.87%	10.02%	2.03%	10.31%	23.49%	-9.58%
B of A Merrill Lynch U.S. High Yield Master II Constrained	4.37%	15.07%	58.10%	-26.11%	2.53%	10.76%	2.78%	10.87%	27.97%	-0.53%

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MULTI-CAP GROWTH

MULTI-CAP GROWTH

HISTORICAL GROSS PERFORMANCE

AS OF DECEMBER 31, 2011

	Last Quarter	Year-to-Date	12 Mths	Average Annual		
				3 Years	5 Years	10 Years
Multi-Cap Growth Equity	13.44%	5.18%	5.18%	20.14%	4.14%	5.22%
S&P 500	11.82%	2.11%	2.11%	14.11%	-0.25%	2.92%

	Calendar Years				
	2011	2010	2009	2008	2007
Multi-Cap Growth Equity	5.18%	21.87%	35.27%	-31.04%	2.41%
S&P 500	2.11%	15.06%	26.46%	-37.00%	5.49%

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MULTI-CAP GROWTH

AS OF DECEMBER 31, 2011

<u>Portfolio Characteristics**</u>	<u>Portfolio</u>	<u>Sector**</u>	<u>Portfolio</u>	<u>Top 10 Holdings**</u>	<u>Percent of Net Assets</u>
Assets	\$1,551.7 million	Consumer Discretionary	16.63%	Affiliated Managers Group, Inc.	5.19%
Weighted Avg. Market Capitalization	\$17,430.2 million	Consumer Staples	7.90%	W.W. Grainger, Inc.	3.85%
Weighted Median Market Capitalization	\$7,334.4 million	Energy	8.00%	MasterCard Incorporated - Class A	3.84%
Weighted Avg. Trailing P/E	17.68x	Financials	11.85%	O'Reilly Automotive, Inc.	3.83%
Weighted Avg. Forward P/E	13.56x	Health Care	16.01%	Kinder Morgan Management, LLC	3.65%
Weighted Harmonic Avg. Price/Book	2.41x	Industrials	17.14%	Philip Morris International Inc.	3.54%
Weighted Harmonic Avg. Price/Sales	1.24x	Information Technology	8.71%	Walgreen Co.	3.09%
Historical 3 Yr Sales Growth	7.24%	Materials	6.92%	Valeant Pharmaceuticals International, Inc.	3.01%
Historical 3 Yr EPS Growth (Factset)	15.09%	Cash	6.84%	Ball Corporation	2.99%
Est. 3-5 Yr EPS Growth	12.19%	Total	<u>100.00%</u>	Copart, Inc.	<u>2.67%</u>
Return on Assets	10.01%				<u>35.66%</u>
Return on Equity	16.83%				
LT Debt/Capital	27.59%				
Turnover Rate (09/30/11)*	18.39%				
Typical Position	1.0% - 4.0%				
				Total Holdings	50

*Annual or Annualized depending on the period

Source: Factset

**Supplemental information to the full annual disclosure presentation found at the end of this presentation.

MID-CAP GROWTH

MID-CAP GROWTH

HISTORICAL GROSS PERFORMANCE

AS OF DECEMBER 31, 2011

	Last Quarter	Year-to-Date	12 Mths	Average Annual		
				3 Years	5 Years	10 Years
Mid-Cap Growth Equity	12.90%	0.94%	0.94%	17.37%	3.88%	5.47%
Russell Midcap Growth	11.24%	-1.65%	-1.65%	22.06%	2.44%	5.29%

	Calendar Years				
	2011	2010	2009	2008	2007
Mid-Cap Growth Equity	0.94%	22.78%	30.47%	-30.14%	7.10%
Russell Midcap Growth	-1.65%	26.38%	46.29%	-44.32%	11.43%

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MID-CAP GROWTH

AS OF DECEMBER 31, 2011

<u>Portfolio Characteristics**</u>	<u>Portfolio</u>	<u>Sector**</u>	<u>Portfolio</u>	<u>Top 10 Holdings**</u>	<u>Percent of Net Assets</u>
Assets	\$561.1 million	Consumer Discretionary	20.64%	LKQ Corporation	1.87%
Weighted Avg. Market Capitalization	\$9,121.6 million	Consumer Staples	3.78%	IHS Inc. - Class A	1.87%
Weighted Median Market Capitalization	\$6,740.3 million	Energy	6.24%	Fastenal Company	1.86%
Weighted Avg. Trailing P/E	19.37x	Financials	10.38%	O'Reilly Automotive, Inc.	1.74%
Weighted Avg. Forward P/E	15.42x	Health Care	13.27%	AMETEK, Inc.	1.67%
Weighted Harmonic Avg. Price/Book	2.98x	Industrials	16.87%	IDEX Corporation	1.66%
Weighted Harmonic Avg. Price/Sales	1.87x	Information Technology	21.78%	Kinder Morgan Management, LLC	1.60%
Historical 3 Yr Sales Growth	8.40%	Materials	3.85%	Willis Group Holdings PLC	1.59%
Historical 3 Yr EPS Growth (Factset)	12.19%	Cash	3.19%	Westinghouse Air Brake Technologies	1.58%
Est. 3-5 Yr EPS Growth	14.63%	Total	100.00%	TJX Companies, Inc. (The)	<u>1.58%</u>
Return on Assets	10.59%				<u>17.02%</u>
Return on Equity	19.64%				
LT Debt/Capital	23.80%				
Turnover Rate (09/30/11)*	27.93%			Total Holdings	85
Typical Position	0.5% - 3.0%				

*Annual or Annualized depending on the period

Source: Factset

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SMALL-CAP GROWTH

SMALL-CAP GROWTH

HISTORICAL GROSS PERFORMANCE

AS OF DECEMBER 31, 2011

	Last Quarter	Year-to-Date	12 Mths	Average Annual		
				3 Years	5 Years	10 Years
Small-Cap Growth Equity	12.44%	2.28%	2.28%	20.47%	6.64%	7.25%
Russell 2000 Growth	14.99%	-2.91%	-2.91%	19.00%	2.09%	4.48%

	Calendar Years				
	2011	2010	2009	2008	2007
Small-Cap Growth Equity	2.28%	32.77%	28.77%	-29.63%	12.07%
Russell 2000 Growth	-2.91%	29.09%	34.47%	-38.54%	7.05%

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SMALL-CAP GROWTH

AS OF DECEMBER 31, 2011

<u>Portfolio Characteristics**</u>	<u>Portfolio</u>	<u>Sector**</u>	<u>Portfolio</u>	<u>Top 10 Holdings**</u>	<u>Percent of Net Assets</u>
Assets	\$222.2 million	Consumer Discretionary	18.59%	Liz Claiborne, Inc.	1.77%
Weighted Avg. Market Capitalization	\$1,834.0 million	Consumer Staples	4.84%	Huron Consulting Group Inc.	1.68%
Weighted Median Market Capitalization	\$1,446.1 million	Energy	4.08%	Ulta Salon, Cosmetics & Fragrance, Inc.	1.63%
Weighted Avg. Trailing P/E	22.90x	Financials	10.66%	IHS Inc. - Class A	1.46%
Weighted Avg. Forward P/E	17.11x	Health Care	13.96%	Echo Global Logistics, Inc.	1.46%
Weighted Harmonic Avg. Price/Book	2.49x	Industrials	22.75%	Copart, Inc.	1.42%
Weighted Harmonic Avg. Price/Sales	1.48x	Information Technology	17.56%	Tupperware Brands Corporation	1.41%
Historical 3 Yr Sales Growth	11.54%	Materials	3.78%	AptarGroup, Inc.	1.39%
Historical 3 Yr EPS Growth (Factset)	9.59%	Cash	3.78%	InnerWorkings, Inc.	1.38%
Est. 3-5 Yr EPS Growth	16.91%	Total	<u>100.00%</u>	Monro Muffler Brake, Inc.	<u>1.37%</u>
Return on Assets	8.44%				<u>14.97%</u>
Return on Equity	16.68%				
LT Debt/Capital	19.45%			Total Holdings	92
Turnover Rate (06/30/2011)*	24.64%				
Typical Position	0.5% - 3.0%				

*Annual or Annualized depending on the period

Source: Factset

**Supplemental information to the full annual disclosure presentation found at the end of this presentation.

EQUITY INCOME

EQUITY INCOME

HISTORICAL GROSS PERFORMANCE

AS OF DECEMBER 31, 2011

	Dividend Yield	Last Quarter	Year-to-Date	12 Mths	Average Annual		
					3 Years	5 Years	10 Years
Equity Income	4.92%	11.88%	2.47%	2.47%	19.64%	6.19%	7.92%
S&P 500 (Indicated)	2.22%	11.82%	2.11%	2.11%	14.11%	-0.25%	2.92%

	Calendar Years				
	2011	2010	2009	2008	2007
Equity Income	2.47%	23.12%	35.73%	-22.88%	2.23%
S&P 500	2.11%	15.06%	26.46%	-37.00%	5.49%

The Composites' Annual Disclosure Presentation located in the Addendum is an integral part of this presentation.

* Source is Factset

EQUITY INCOME

AS OF DECEMBER 31, 2011

<u>Portfolio Characteristics**</u>	<u>Portfolio</u>	<u>Sector**</u>	<u>Portfolio</u>	<u>Top 10 Holdings**</u>	<u>Percent of Net Assets</u>
Assets	\$170.9 million	Consumer Discretionary	8.96%	Philip Morris International Inc.	3.08%
Weighted Avg. Market Capitalization	\$24,139.4 million	Consumer Staples	8.64%	Microchip Technology Incorporated	2.79%
Weighted Median Market Capitalization	\$2,944.8 million	Energy	8.46%	Leggett & Platt, Incorporated	2.76%
Weighted Avg. Trailing P/E	18.56x	Financials	22.19%	W.P. Carey & Co. LLC	2.73%
Weighted Avg. Forward P/E	14.75x	Health Care	10.35%	Old Republic International Corporation	2.71%
Weighted Harmonic Avg. Price/Book	2.00x	Industrials	13.16%	Integrus Energy Group, Inc.	2.60%
Weighted Harmonic Avg. Price/Sales	1.27x	Information Technology	8.06%	Mercury General Corporation	2.58%
Historical 3 Yr Sales Growth	4.04%	Materials	4.97%	Ryder System, Inc.	2.49%
Historical 3 Yr EPS Growth (First Call)	4.88%	Telecommunication Services	4.37%	Federated Investors, Inc. - Class B	2.48%
Est. 3-5 Yr EPS Growth	8.69%	Utilities	2.65%	AT&T Inc.	<u>2.48%</u>
Return on Assets	8.73%	Cash	<u>8.19%</u>		<u>26.70%</u>
Return on Equity	15.59%	Total	<u>100.00%</u>		
LT Debt/Capital	32.09%			Total Holdings	48
Turnover Rate (09/30/11)*	31.35%				
Typical Position	1.0% - 4.0%				

*Annual or Annualized depending on the period

Source: Factset

**Supplemental information to the full annual disclosure presentation found at the end of this presentation.

EQUITY INCOME

TOP TEN HOLDINGS BY DIVIDEND YIELD

AS OF DECEMBER 31, 2011

<u>Company</u>	<u>Yield</u>
Frontier Communications Corp.	14.56 %
Inergy L.P.	11.55 %
National Presto Industries Inc.	8.81 %
Douglas Dynamics Inc.	8.04 %
Sabra Healthcare REIT Inc.	7.94 %
Old Republic International Corp.	7.55 %
Monmouth Real Estate Investment Corp. (Cl A)	6.56 %
Federated Investors Inc.	6.34 %
Dorchester Minerals L.P.	5.73 %
AT&T Inc.	5.69 %
S&P 500 Indicated Dividend Yield	2.22%

Supplemental information to the full annual disclosure presentation found at the end of this presentation.

HIGH YIELD BOND

HIGH YIELD BOND

HISTORICAL GROSS PERFORMANCE

AS OF DECEMBER 31, 2011

	Last Quarter	Year-to-Date	12 Mths	Average Annual		
				3 Years	5 Years	10 Years
High Yield Bond	6.69%	5.70%	5.70%	18.27%	5.65%	6.17%
B of A Merrill Lynch U.S. High Yield Master II Constrained	6.19%	4.37%	4.37%	23.83%	7.54%	8.73%
				Calendar Years		
	2011	2010	2009	2008	2007	
High Yield Bond	5.70%	13.86%	37.46%	-22.66%	2.87%	
B of A Merrill Lynch U.S. High Yield Master II Constrained	4.37%	15.07%	58.10%	-26.11%	2.53%	

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HIGH YIELD BOND

AS OF DECEMBER 31, 2011

<u>Portfolio Characteristics**</u>	<u>Portfolio</u>	<u>Top 10 Holdings**</u>	<u>Percent of Net Assets</u>
Net Assets	\$96.4 million	CDW LLC	2.42%
Weighted Average Quality	B1	Zayo Group, LLC	2.21%
Weighted Average Maturity	6.70 years	Pinnacle Foods Finance LLC	2.13%
Weighted Average Duration	3.38 years	Tesoro Corporation	1.75%
Average Credit Quality (Moody's):		MGM Resorts International	1.69%
Baa	1.11%	HCA Inc.	1.65%
Ba	19.73%	SandRidge Energy, Inc.	1.63%
B	60.53%	Helix Energy Solutions Group, Inc.	1.62%
Below B	10.98%	CKE Restaurants, Inc.	1.58%
Cash & Equivalents	5.83%	FMG Resources Pty Ltd	<u>1.57%</u>
Equities	1.82%		<u>18.25%</u>
Turnover Rate (06/30/2011)*	81.11%		
Typical Position	0.5 - 3.0%	Total Holdings	107

*Annual or Annualized depending on the period

Source: Bank of America Merrill Lynch, Bloomberg, Factset

** Supplemental information to the full annual disclosure presentation found at the end of this presentation.

ADDENDUM

NICHOLAS COMPANY

INVESTMENT STAFF

Albert O. Nicholas, CFA, Chairman & Chief Executive Officer

Founded Nicholas Company, Inc. 1967 - Present
Marshall & Ilsley Bank, Milwaukee, 1959 - 1967
Northwestern National Insurance Company, Milwaukee, 1955 - 1959
University of Wisconsin, B.A. 1952, M.B.A. 1955

David O. Nicholas, CFA, Chief Investment Officer

Nicholas Company, Inc. 1986 - Present
First Wisconsin National Bank, Milwaukee, 1983 - 1986
University of Wisconsin - Milwaukee, M.S. 1987
University of Wisconsin, B.B.A. 1983

David L. Johnson, CFA, Executive Vice President

Nicholas Company, Inc. 1980 - Present
Newton & Company/Heritage Investment Advisors, 1973 - 1980
Milwaukee Company/Wisconsin Investment Management, 1967 - 1973
University of Wisconsin, B.B.A. 1964, M.B.A. 1967

Lawrence J. Pavelec, CFA, Senior Vice President, Fixed Income & Marketing

Nicholas Company, Inc. 2003 - Present
Brandes Investment Partners, LLC 1999 - 2003
Heartland Advisors 1998 - 1999
M&I Investment Management Inc. 1984 - 1998
University of Wisconsin - La Crosse, B.S. 1980

INVESTMENT STAFF (CONT.)

Jeffrey T. May, CPA, Executive Vice President, Portfolio Manager

Nicholas Company, Inc. 1987 - Present
Arthur Andersen, 1984 - 1987
University of Wisconsin - Oshkosh, B.B.A. 1984

Michael L. Shelton, CFA, CPA, Co-Portfolio Manager

Nicholas Company, Inc. 2006 - Present
U.S. Department of Defense, 2004 - 2006
Robert W. Baird, 1997 - 2000
McDonald Investments, 1996 - 1997
Ernst & Young, LLP, 1994 - 1996
Ohio State University, M.B.A. 2004
Miami University, B.S. 1994

Jeffrey P. Kinnel, Associate Research Analyst

Nicholas Company, Inc. 2004 - Present
MBO Cleary 2003 - 2004
Guaranty Bank 2001 - 2003
University of Wisconsin - Milwaukee, M.B.A. 2004
Miami University, B.S. 2001

SCHEDULE OF FEES

SEPARATELY MANAGED PORTFOLIOS

The fee is calculated on the basis of total market value of the securities and cash under supervision at the end of each three month period at the following rates:

First \$2 million in assets	1.00%
Next \$8 million in assets	0.75%
Over \$10 million in assets	0.60%

NICHOLAS COMPANY, INC.
NICHOLAS MULTI-CAP GROWTH EQUITY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results			
		U.S. Dollars (millions)	Number of Accounts	Composite		S&P 500	Composite Dispersion
				Gross	Net		
2010	2,710	1,594	Five or fewer	21.87%	20.71%	15.06%	N.A.
2009	2,318	1,432	Five or fewer	35.27%	34.01%	26.46%	N.A.
2008	1,868	1,156	Five or fewer	(31.04%)	(31.80%)	(37.00%)	N.A.
2007	2,938	1,930	Five or fewer	2.41%	1.40%	5.49%	N.A.
2006	3,371	2,349	Five or fewer	10.15%	9.09%	15.79%	N.A.
2005	3,488	2,437	Five or fewer	6.39%	5.35%	4.91%	N.A.
2004	3,552	2,504	Five or fewer	12.60%	11.52%	10.88%	N.A.
2003	3,448	2,452	Five or fewer	29.57%	28.37%	28.69%	N.A.
2002	2,982	2,139	Five or fewer	(20.52%)	(21.35%)	(22.10%)	N.A.
2001	4,266	3,140	Five or fewer	(10.34%)	(11.26%)	(11.89%)	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

***Nicholas Multi-Cap Growth Equity Composite** consists of portfolios that are primarily invested in diversified equity securities of small to large-sized U.S. companies having growth potential. Market capitalizations are generally between \$1 to \$100 billion. For comparison purposes the composite is measured against the S&P 500 Index. The minimum account size for this composite is \$500 thousand.*

Nicholas Company, Inc. is an independently owned investment advisor to both mutual funds and privately managed accounts. Prior to 2001, Nicholas Company, Inc. was an independently owned investment advisor to mutual funds. The firm maintains a complete list and description of composites, which is available upon request.

Nicholas Company, Inc. claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Nicholas Company, Inc. has been independently verified for the periods January 1, 1995 through September 30, 2011. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Multi-Cap Growth Equity composite has been examined for the periods January 1, 1995 through September 30, 2011. The verification and performance examination reports are available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net returns are calculated by applying the highest management fee of 1% per annum. Fees are calculated quarterly, which produces a compounding effect on the total rate of return net of management fees. Additional information regarding policies for calculating and reporting returns is available upon request.

The management fee schedule is as follows: 1.00% on the first \$2 million; 0.75% on the next \$8 million; 0.60% thereafter on all assets. Actual investment advisory fees incurred by clients may vary.

The Nicholas Multi-Cap Growth Equity Composite was created December 31, 2004. Nicholas Company, Inc.'s compliance with the GIPS standards has been verified for the period January 1, 1995 through September 30, 2011 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Nicholas Multi-Cap Growth Equity Composite beginning January 1, 1995. A copy of the verification report is available upon request.

The policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request.

NICHOLAS COMPANY, INC.
NICHOLAS MID-CAP GROWTH EQUITY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results			
		U.S. Dollars (millions)	Number of Accounts	Composite Gross	Composite Net	Russell Midcap Growth	Composite Dispersion
2010	2,710	579	Six	22.78%	21.61%	26.38%	0.96%
2009	2,318	466	Six	30.47%	29.25%	46.29%	2.05%
2008	1,868	362	Six	(30.14%)	(30.91%)	(44.32%)	N.A.
2007	2,938	544	Six	7.10%	6.05%	11.43%	N.A.
2006	3,371	560	Five or fewer	8.96%	7.90%	10.66%	N.A.
2005	3,488	572	Five or fewer	6.69%	5.65%	12.10%	N.A.
2004	3,552	566	Five or fewer	12.72%	11.63%	15.48%	N.A.
2003	3,448	530	Five or fewer	34.07%	32.83%	42.71%	N.A.
2002	2,982	421	Five or fewer	(19.86%)	(20.71%)	(27.41%)	N.A.
2001	4,266	583	Five or fewer	(2.52%)	(3.51%)	(20.15%)	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

***Nicholas Mid-Cap Growth Equity Composite** consists of portfolios that are primarily invested in common stocks of domestic corporations with medium-sized market capitalizations having growth potential. Market capitalizations are generally considered between \$2 to \$10 billion. For comparison purposes the composite is measured against the Russell Midcap Growth Index. The minimum account size for this composite is \$500 thousand.*

Nicholas Company, Inc. is an independently owned investment advisor to both mutual funds and privately managed accounts. Prior to 2001, Nicholas Company, Inc. was an independently owned investment advisor to mutual funds. The firm maintains a complete list and description of composites, which is available upon request.

Nicholas Company, Inc. claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Nicholas Company, Inc. has been independently verified for the periods January 1, 1995 through September 30, 2011. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Mid-Cap Growth Equity composite has been examined for the periods January 1, 1995 through September 30, 2011. The verification and performance examination reports are available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net returns are calculated by applying the highest management fee of 1% per annum. Fees are calculated quarterly, which produces a compounding effect on the total rate of return net of management fees. Additional information regarding policies for calculating and reporting returns is available upon request.

The management fee schedule is as follows: 1.00% on the first \$2 million; 0.75% on the next \$8 million; 0.60% thereafter on all assets. Actual investment advisory fees incurred by clients may vary.

The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The percentage of bundled fee accounts represents 1.99% in 2006, 2.45% in 2007, 5.31% in 2008, 4.88% in 2009 and 3.81% in 2010 of the total composite assets.

The bundled fee includes all charges for trading costs, portfolio management, custody, and other administrative fees. For the bundled fee accounts, gross has been reduced by the entire bundled fee; the bundled fee includes all charges for trading costs, portfolio management, custody, and other administrative fees.

The Nicholas Mid-Cap Growth Equity Composite was created December 31, 2004.

NICHOLAS COMPANY, INC.
NICHOLAS SMALL-CAP GROWTH EQUITY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results			
		U.S. Dollars (millions)	Number of Accounts	Composite Gross	Composite Net	Russell 2000 Growth	Composite Dispersion
2010	2,710	208	Five or fewer	32.77%	31.54%	29.09%	N.A.
2009	2,318	151	Five or fewer	28.77%	27.56%	34.47%	N.A.
2008	1,868	126	Six	(29.63%)	(30.40%)	(38.54%)	1.19%
2007	2,938	180	Ten	12.07%	10.98%	7.05%	N.A.
2006	3,371	182	Five or fewer	7.43%	6.38%	13.35%	N.A.
2005	3,488	179	Five or fewer	8.77%	7.71%	4.15%	N.A.
2004	3,552	161	Five or fewer	14.97%	13.87%	14.31%	N.A.
2003	3,448	148	Five or fewer	40.85%	39.56%	48.54%	N.A.
2002	2,982	109	Five or fewer	(22.82%)	(23.64%)	(30.26%)	N.A.
2001	4,266	164	Five or fewer	9.16%	8.09%	(9.23%)	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

***Nicholas Small-Cap Growth Equity Composite** consists of portfolios that are primarily invested in small cap equities. This typically includes a majority of common stocks of domestic corporations. In terms of market capitalization, small cap is generally considered as companies with market capitalizations up to \$2 billion. For comparison purposes the composite is measured against the Russell 2000 Growth Index. The minimum account size for this composite is \$500 thousand.*

Nicholas Company, Inc. is an independently owned investment advisor to both mutual funds and privately managed accounts. Prior to 2001, Nicholas Company, Inc. was an independently owned investment advisor to mutual funds. The firm maintains a complete list and description of composites, which is available upon request.

Nicholas Company, Inc. claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Nicholas Company, Inc. has been independently verified for the periods January 1, 1995 through September 30, 2011. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Small-Cap Growth Equity composite has been examined for the periods January 1, 1995 through September 30, 2011. The verification and performance examination reports are available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net returns are calculated by applying the highest management fee of 1% per annum. Fees are calculated quarterly, which produces a compounding effect on the total rate of return net of management fees. Additional information regarding policies for calculating and reporting returns is available upon request.

The management fee schedule is as follows: 1.00% on the first \$2 million; 0.75% on the next \$8 million; 0.60% thereafter on all assets. Actual investment advisory fees incurred by clients may vary.

The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The percentage of bundled fee accounts represents 1.12% in 2006, 1.17% in 2007, 1.13% in 2008, 0.86% in 2009, and 0.74% in 2010 of the total composite assets.

The bundled fee includes all charges for trading costs, portfolio management, custody, and other administrative fees. For the bundled fee accounts, gross has been reduced by the entire bundled fee; the bundled fee includes all charges for trading costs, portfolio management, custody, and other administrative fees.

The Nicholas Small-Cap Growth Equity Composite was created December 31, 2004.

NICHOLAS COMPANY, INC.
NICHOLAS EQUITY INCOME COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results			
		U.S. Dollars (millions)	Number of Accounts	Composite Gross	Composite Net	S&P 500	Composite Dispersion
2010	2,710	132	Five or fewer	23.12%	21.95%	15.06%	N.A.
2009	2,318	54	Five or fewer	35.73%	34.47%	26.46%	N.A.
2008	1,868	31	Five or Fewer	(22.88%)	(23.70%)	(37.00%)	N.A.
2007	2,938	39	Five or fewer	2.23%	1.22%	5.49%	N.A.
2006	3,371	35	Five or fewer	26.01%	24.83%	15.79%	N.A.
2005	3,488	28	Five or fewer	0.49%	(0.50%)	4.91%	N.A.
2004	3,552	27	Five or fewer	20.78%	19.64%	10.88%	N.A.
2003	3,448	20	Five or fewer	23.15%	21.98%	28.69%	N.A.
2002	2,982	16	Five or fewer	(15.69%)	(16.57%)	(22.10%)	N.A.
2001	4,266	18	Five or fewer	1.99%	0.98%	(11.89%)	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

***Nicholas Equity Income Composite** consists of diversified portfolios that are primarily invested in income-producing equity securities (including common stocks, preferred stocks and convertible securities) and corporate and government fixed income investments (including notes, bonds and debentures). The portfolio will invest in small to large-sized companies with capitalizations generally between \$1 to \$100 billion. For comparison purposes the composite is measured against the S&P 500 Index. The minimum account size for this composite is \$500 thousand.*

Nicholas Company, Inc. is an independently owned investment advisor to both mutual funds and privately managed accounts. Prior to 2001, Nicholas Company, Inc. was an independently owned investment advisor to mutual funds. The firm maintains a complete list and description of composites, which is available upon request.

Nicholas Company, Inc. claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Nicholas Company, Inc. has been independently verified for the periods January 1, 1995 through September 30, 2011. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Equity Income Growth composite has been examined for the periods January 1, 1995 through September 30, 2011. The verification and performance examination reports are available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net returns are calculated by applying the highest management fee of 1% per annum. Fees are calculated quarterly, which produces a compounding effect on the total rate of return net of management fees. Additional information regarding policies for calculating and reporting returns is available upon request.

The management fee schedule is as follows: 1.00% on the first \$2 million; 0.75% on the next \$8 million; 0.60% thereafter on all assets. Actual investment advisory fees incurred by clients may vary.

The Nicholas Equity Income Composite was created December 31, 2004. Nicholas Company, Inc.'s compliance with the GIPS standards has been verified for the period January 1, 1995 through September 30, 2011 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Nicholas Equity Income Composite beginning January 1, 1995. A copy of the verification report is available upon request.

The policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request.

NICHOLAS COMPANY, INC.
NICHOLAS HIGH YIELD BOND COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results			
		U.S. Dollars (millions)	Number of Accounts	Composite Gross	Composite Net	ML U.S. HY Master II	Composite Dispersion
2010	2,710	95	Five or fewer	13.86%	12.76%	15.07%	N.A.
2009	2,318	105	Five or fewer	37.46%	36.20%	58.10%	N.A.
2008	1,868	65	Five or fewer	(22.66%)	(23.49%)	(26.11%)	N.A.
2007	2,938	92	Five or fewer	2.87%	1.85%	2.53%	N.A.
2006	3,371	100	Five or fewer	10.02%	8.96%	10.76%	N.A.
2005	3,488	102	Five or fewer	2.03%	1.02%	2.78%	N.A.
2004	3,552	115	Five or fewer	10.31%	9.24%	10.87%	N.A.
2003	3,448	120	Five or fewer	23.49%	22.33%	27.97%	N.A.
2002	2,982	101	Five or fewer	(9.58%)	(10.50%)	(0.53%)	N.A.
2001	4,266	119	Five or fewer	9.42%	8.36%	4.48%	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

***Nicholas High Yield Bond Composite** consists of diversified portfolios that are primarily invested in high yield corporate bonds, which may be rated or unrated. The portfolio generally invests assets into non-investment grade securities either short or long-term. There is no set asset allocation that requires the portfolio to maintain a specific percentage of assets in either income or equity related securities. For comparison purposes, effective September 30, 2006, the composite is measured against the Merrill Lynch U.S. High Yield Master II Constrained Index ("Constrained Index"). The Merrill Lynch U.S. High Yield Master II Constrained Index is a market value-weighted index of all domestic and yankee high-yield bonds, including deferred interest bonds and payment-in-kind securities. Issues included in the index have maturities of one year or more and have a credit rating lower than BBB-/Baa3, but are not in default. The inception of the Constrained Index was December 31, 1996 and it was applied retroactively through 1997. The minimum account size for this composite is \$500 thousand.*

Nicholas Company, Inc. is an independently owned investment advisor to both mutual funds and privately managed accounts. Prior to 2001, Nicholas Company, Inc. was an independently owned investment advisor to mutual funds. The firm maintains a complete list and description of composites, which is available upon request.

Nicholas Company, Inc. claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Nicholas Company, Inc. has been independently verified for the periods January 1, 1995 through September 30, 2011. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The High Yield Bond composite has been examined for the periods January 1, 1995 through September 30, 2011. The verification and performance examination reports are available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net returns are calculated by applying the highest management fee of 1% per annum. Fees are calculated quarterly, which produces a compounding effect on the total rate of return net of management fees. Additional information regarding policies for calculating and reporting returns is available upon request.

The management fee schedule is as follows: 1.00% on the first \$2 million; 0.75% on the next \$8 million; 0.60% thereafter on all assets. Actual investment advisory fees incurred by clients may vary.

The Nicholas High Yield Bond Composite was created December 31, 2004. Nicholas Company, Inc.'s compliance with the GIPS standards has been verified for the period January 1, 1995 through September 30, 2011 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Nicholas High Yield Bond Composite beginning January 1, 1995. A copy of the verification report is available upon request.

The policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request.