

J. L. BAINBRIDGE
& COMPANY, INC.

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Dear Client:

As listed below the companies selected for investment posted mixed earnings in the most difficult economic environment since the 1981-1982 recession. The earnings per share percentage change are 2009 versus 2008 for the most recent earnings period versus a year earlier.

| INVESTMENT | EPS GROWTH |
|---------------------|------------|
| American Express | -48% |
| A T & T | -15% |
| Avon Products | -32% |
| Boeing | +3% |
| Cardinal Health | +2% |
| Caterpillar | -66% |
| Amdocs Limited | -13% |
| Disney | -16% |
| Eaton | -89% |
| Emerson Electric | -35% |
| Fiserv | +7% |
| FPL | +6% |
| General Electric | -47% |
| Goodrich | -3% |
| Henry Schein | +14% |
| IBM | +18% |
| Johnson & Johnson | -2% |
| Lincoln Electric | -79% |
| Manitowoc | -79% |
| Mc Donald's | +4% |
| McGraw-Hill | -18% |
| Medtronic | +12% |
| 3M Company | -14% |
| Pepsi | Flat |
| Precision Casting | -12% |
| Procter & Gamble | +6% |
| Regal Beloit | -59% |
| T Rowe Price | -35% |
| Stryker | Flat |
| United Technologies | -12 % |

As stated in our 2009 Mid-Year report, earnings in the first half of 2009 are being impacted by the recession, the de-stocking of inventories at a rate much faster than the decline in customer orders, the strength of the dollar which depressed foreign earnings and expenses to reduce costs for which the savings will show up in the second half of this year. These factors will be positive over the next six months and into 2010. In addition, the above earnings were both better than the first quarter of 2009 and exceeded analysts expectations. Consequently our portfolio appreciated strongly in July, and we expect further gains over the remainder of the year.

Jerry L. Bainbridge, President