

Nicholas Fund (NICSX)

Style: Mid-Cap Growth

June 30, 2013

Portfolio Manager: Albert (Ab) O. Nicholas, CFA
Associate Portfolio Manager: David O. Nicholas, CFA

Investment Philosophy:

The advisor invests in high quality, long-term growth companies that meet our investment criteria, which includes

- A strategic position within their industry
- An enduring franchise, product or brand
- Consistent, or improving, earnings growth and free cash flow
- Low debt levels
- Reputable management with meaningful stock ownership
- Out-of-favor or undiscovered companies
- Stock price below long-term potential value

Investment Approach:

Nicholas Fund pursues long-term capital growth through a diversified stock portfolio of small- to large-sized companies with capitalizations generally between \$1 to \$100 billion. The Fund is typically benchmarked against the Standard & Poor's 500 Index over a market cycle.

Portfolio Information:

Date of Inception:	07/14/1969
Net Assets:	\$2,138.8 million
Number of Holdings:	40
Weighted Avg. Trailing P/E Capped:	21.25x
Weighted Avg. Forward P/E Capped:	17.06x
Weighted Avg. Market Cap.:	\$27,109.7 million
Weighted Median Market Cap.:	\$12,505.5 million
Weighted Harmonic Avg. Price/Book:	3.09x
Hist 3Yr EPS Growth:	15.78%
Turnover Rate:	25.23% (03/31/13) ⁽¹⁾
Standard Deviation:	15.05% 10-Yr ⁽²⁾
Sharpe Ratio:	0.54 10-Yr ⁽²⁾

⁽¹⁾Annualized
⁽²⁾Average Annual

Top 10 Holdings:

% of Net Assets

Valeant Pharmaceuticals International, Inc.	5.63%
Affiliated Managers Group, Inc.	4.93%
Walgreen Co.	4.13%
Gilead Sciences, Inc.	3.59%
MasterCard Incorporated - Class A	3.49%
O'Reilly Automotive, Inc.	3.38%
W.W. Grainger, Inc.	3.29%
Thermo Fisher Scientific Inc.	3.27%
Snap-on Incorporated	3.01%
Aon plc	2.99%
	<u>37.71%</u>

Morningstar Ratings:

	Overall	3 Year	5 Year	10 Year
Rating	★★★★★	★★★★★	★★★★★	★★★★★
# of Funds	637	637	563	417

Category: Mid-Cap Growth

Source: Morningstar, as of June 30, 2013.

The Overall Morningstar Rating™ for a fund is derived from a weighted average of the risk-adjusted performance figures associated with its three-, five- and ten year (if applicable) Morningstar Rating™ metrics. ⁽³⁾

Performance History: as of June 30, 2013

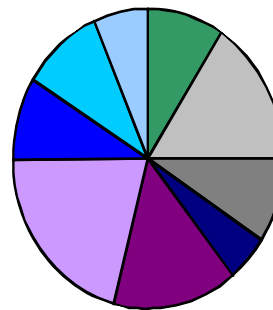
	Quarter	1 Year	3 Year	5 Year	10 Year
Nicholas Fund	1.55%	30.48%	20.86%	12.34%	8.99%
S&P 500	2.91%	20.60%	18.45%	7.01%	7.30%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Nicholas Fund	17.57%	4.38%	20.95%	34.28%	-31.57%
S&P 500	16.00%	2.11%	15.06%	26.46%	-37.00%

Expense Ratio: (including Acquired Funds Fees and Expenses) 0.77% ⁽⁴⁾

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.nicholasfunds.com/returns.html or calling 1-800-544-6547.

Sector Weightings:

% of Portfolio



■ Cash	9.18%
■ Consumer Discretionary	15.78%
■ Consumer Staples	9.17%
■ Energy	5.05%
■ Financials	14.87%
■ Health Care	20.81%
■ Industrials	8.98%
■ Info Technology	9.68%
■ Materials	6.48%

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contain this and other important information about the investment company, and it may be obtained by visiting www.nicholasfunds.com. Read it carefully before investing.

Diversification does not assure a profit or protect against loss in a declining market.

Mutual fund investing involves risk. Principal loss is possible. Investing in small and medium sized companies involves greater risks than those associated with investing in large company stocks, such as business risk, stock price fluctuations and liquidity.

Please refer to Page 2 for additional disclosures.

S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index.

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⁽⁴⁾ This expense ratio may not correlate to the ratio of expenses to average net assets provided in the fund's financial highlights. The financial highlights reflect the operating expenses of the fund and do not include the indirect expenses incurred of 0.02% as a result of acquiring investments in shares of one or more other investment companies (Acquired Fund Fees and Expenses).

Fund holdings and/or sector weightings are subject to change at any time and are not recommendations to buy or sell any security.

Glossary of Terms:

EPS	Company total earnings divided by outstanding shares.
Free Cash Flow	Free cash flow is cash flow available for distribution among all the securities holders of an organization.
Harmonic Price/Book	Price per share divided by book value per share. The harmonic function reduces the impact of outliers in the denominator on the aggregate calculation.
Price/Earning Capped	PE is a valuation ratio of a company's current share price compared to its per-share earnings or in the case of REITs (real estate investment trusts), their funds from operations. These weighted average values are limited in a range between 0 and 60.
Sharpe Ratio	A measure of a fund's historical returns adjusted for risk, or volatility.
Standard Deviation	Standard Deviation is a statistical measure of the historical volatility of a mutual fund or portfolio, usually computed using 36 monthly returns.