First Quarter 2012 Review

Broadleaf Partners, LLC

Growth Equity Portfolio
First Quarter Review
March 31, 2012

Performance Commentary

	Q1 2012	Trailing 12 Months	3 Years (Annualized)	5 Years (Annualized)	Since Inception (Annualized)
Broadleaf	**16.7%**	**9.6%**	**27.7%**	**5.5%**	**6.8%**
S&P 500	12.6%	8.5%	23.4%	2.0%	4.4%
Russell 1000 Growth	14.7%	11.0%	25.3%	5.1%	6.0%

The stock market surged once again in the first quarter, gaining nearly 13%. Including the fourth quarter's 12% gain, the S&P 500 has now increased 26% in the last six months, a blistering pace which has many wondering how long it can continue.

The Broadleaf Growth Equity Portfolio (BGEP) enjoyed similarly strong results, gaining nearly 16.7% during the first quarter, handily above the market's 12.6% gain. For the three year period ending in March, the BGEP gained 27.7% net of fees, roughly 430 basis points more than the S&P 500 on an annualized basis. According to Morningstar, these results place among the top nine percent of large cap growth managers for the trailing three year period.

Since inception, the BGEP has gained 6.8% annually, roughly 250 basis points more than the S&P 500 net of fees over the last six and a half years.

(Fund Inception 8/18/05. Portfolio performance reflects Broadleaf's Growth Equity Composite, described more fully under the caption "Performance Disclosures." You are urged to read that information in its entirety in connection with any evaluation of Broadleaf's performance statistics. All figures are shown net of actual fees. Any assumed fees have been calculated on a pro forma basis, reflecting the highest fee levels that Broadleaf would charge clients per our disclosures in Part II of our Form ADV.)

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Market Review & Outlook

At the beginning of the year, we commented 2012 could be surprisingly good for investors, particularly after such an uninspiring 2011. Strong corporate profits, improving leading indicators of economic activity (especially employment), and near record low equity exposures among hedge funds were the basis for our optimism, factors which remain in place today.

Looking forward, we believe that the equity markets will continue to do well in an environment with few compelling income generating alternatives for a demographically aging population. Cash yields remain near zero, and bonds represent a poor risk reward in the face of improving economic prospects. In such an environment, holders of bonds will be reminded that the double digit returns they've earned in the past few years can move decidedly in the opposite direction.

In spite of the gains over the last six months, domestic equity returns for the rolling ten year period remain near historic lows and far worse than the returns of other asset classes. Many professionals have simply been indexing their domestic equity exposures, viewing it as an area with limited opportunity to add value in a portfolio.

This may also explain why equity volumes have been so low, as the stock trading activity associated with exchange traded fund transactions aren't reflected in published volume statistics. Fortunately, historical precedent suggests that the best opportunities for asset class returns often occurs when so few expect it. The fact that bull markets often climb a wall of worry is, in this sense, encouraging.

We still believe overall economic growth will remain slow for as far as the eyes can see, but corporate profits should remain strong and perhaps even grow faster than expected, based on our outlook for a manufacturing renaissance in the United States, a budding emphasis in China on the consumer, and the deflationary impact of lower natural gas prices on final goods costs across a wide swath of industries.

The key risk to our call remains the unexpected, as the Japanese tsunami was last year and the oil spill two years before it. Higher gas prices at the pump also bear watching, but as long as economic fundamentals continue to improve, employment gains and lower natural gas prices remain offsets that didn't exist during the previous two years. The ultimate impact of an unwinding of unprecedented global monetary stimulus is also a significant unknown and for many downright scary, but for now, the issue remains a longer term concern.

Following the tech bubble, it took six full years for the S&P 500 to fully eclipse its former highs in 2007. Five years and one Great Recession later, we are now within ten percent of those highs once again. We wouldn't be surprised to see the S&P 500 make a run at 1475 by year end (another 4-5% from current levels) and while breaking the all-time highs this year might be a stretch without a more convincing recovery in the banking and housing sectors, we have full confidence that it will eventually happen.

Portfolio Characteristics

Top Five Portfolio Holdings

Apple
Google
Qualcomm
Mastercard
Whole Foods Market

Sector Concentrations

	Broadleaf	S&P 500
Cons. Disc.	26.3%	11.2%
Technology	21.7	20.5
Financials	13.0	14.9
Industrials	12.0	10.5
Healthcare	9.6	11.4
Energy	6.6	11.2
Materials	4.7	3.4
Cons. Staples	4.2	10.8
Utilities/Tel	0.0	6.1
Cash	1.9	

Portfolio Statistics

Avg. Market Cap.	$58.3B
Median Market Cap	$21.8B
Forward P/E Ratio	21.3x
Free Cash Flow Yield	4.4%
Consensus Growth Rate	19.2%
Return on Equity	25.1%
Beta	1.1
Portfolio Yield	.9%

Organizational Review

Broadleaf continued to grow during the first quarter, through a combination of new clients, additional account contributions and market appreciation. Assets under management crossed the $100mm threshold for the first time, ending the quarter at $107.1 million. Lipper Marketplace also recognized our firm for its outstanding performance results, which placed us in the top quartile of large cap growth managers for the three years ending 12/31/2011.

Investment Style

The Broadleaf Growth Equity Portfolio employs a concentrated growth style of investing, holding approximately thirty equity positions from a cross section of economic sectors. Morningstar would classify us as a large cap growth manager, but we will invest in select small and midsize companies as unique opportunities avail themselves. Currently, the portfolio has an average market capitalization of $58 billion.

Sector exposures are strongly influenced by our views on three determinants of investment value, which we define as the economic cycle, the innovation cycle, and the credit cycle. Individual securities are ultimately selected on the basis of their long term growth potential, profitability, and intrinsic value as measured by their free cash flow generating characteristics. Innovative new ideas and themes are of particular interest.

Investment Objective

The portfolio's goal is to outperform the S&P 500 and Russell 1000 Growth indices over a three to five year time horizon or full market cycle. The portfolio is suitable for investors seeking an exposure to a concentrated investment style which may be more volatile than the market as a whole. Investors should consider it as a portion of their investment portfolio within the context of their overall asset allocation and related investment goals.

Performance Disclosures

Results reflect the actual performance of Broadleaf's Growth Equity Composite. Performance data is shown net of advisory fees and trading costs. Broadleaf may charge different advisory fees to clients based on several factors, but primarily based on the size of a client's account. Broadleaf's basic fee schedule is available on its Form ADV, Part II. Results reflect the reinvestment of dividends and distributions, if any. Leverage has not been utilized. The U.S. Dollar is the currency used to express performance.

Broadleaf's Growth Equity Composite includes all fully discretionary accounts utilizing our growth equity style of investing, with a minimum initial account size of $100,000. (Prior to 6/30/2009, the minimum account size necessary for composite inclusion had been $250,000. Historical results have not been updated retroactively to reflect this change, but will reflect the change from 6/30/09 forward.) To be included in the composite, an account must have been under management for at least one full quarter. If a significant cash flow in an underlying composite account during the quarter causes it to deviate from our intended growth style, we will remove the account for the period in which the significant cash event occurred. A significant cash flow is currently defined as 10% or more.

Total firm assets at quarter end were $107.1 million. Prior to January 5th, 2006 the firm did not have any investment advisory clients. As a result, composite data prior to March 31st, 2006 only reflects the performance of Doug MacKay's personal retirement account.

The S&P 500 Index and Russell 1000 Growth Index have been used for comparative benchmark purposes because the goal of the stated strategy is to provide equity-like returns. The S&P 500 is a broad based index reflecting the performance of the equity market in general, while the Russell 1000 Growth is a broad based index reflecting the performance of a growth investing style bias. Both indices are based on total returns which includes dividends. While we believe these are appropriate benchmarks to use for comparison purposes, it should be expected that the volatility of the Broadleaf Growth Equity Portfolio may be higher due to its concentrated nature.

Performance information since inception reflects actual performance of the composite over a period of greater than five years. You are cautioned that information concerning comparative performance over this period of time may bear no relationship whatsoever to performance over other time periods. This information should not be regarded as in anyway representing the likely future performance of the portfolio in absolute terms or in *comparison to the indices. Investment in securities, including mutual funds, involves risk of loss. Past performance is no guarantee of future returns.*

Broadleaf Partners, LLC is a registered investment advisor with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request.

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