



Broadleaf Partners, LLC
Growth Equity Portfolio
Second Quarter Review
June 30, 2007

Performance Commentary

	<u>Q2-2007</u>	<u>Q1-2007</u>	<u>YTD</u>	<u>Since Inception</u>
Broadleaf	3.14%	3.50%	6.75%	21.4%
S&P 500	6.28%	0.64%	6.96%	27.7%

(Fund Inception 8/19/05. 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 assumed 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.)

After an uninspiring first quarter, the stock market made significant gains in the second quarter, rising roughly 6.3% as measured by the S&P 500. The economically sensitive Dow Jones Industrial Average lead the way, increasing 9%.

While we enjoyed respectable absolute returns of 3.14% for the quarter, these results didn't quite match the market's heady gains. Our relative results were held back by the underperformance of the consumer staples sector and a few of our fast growth technology holdings, many of which contributed to our strong results in the first quarter. We are very comfortable maintaining and adding to our positions in these recent underperformers, believing that their significant organic growth opportunities were merely overshadowed this quarter by all of the merger and acquisition activity.

As we approach the two year anniversary of our investment track record, our portfolio has gained a respectable 21.4%.

Market Review & Outlook

Significant M&A activity fueled by a worldwide liquidity boom and falling inflation on the domestic front drove the markets during the second quarter. The rising influence of private equity funds with access to cheap overseas money was clearly instrumental to quarterly results and was perhaps best symbolized by the initial public offering of the Blackstone Group, a tremendously successful private equity firm founded just twenty-two years ago.

While a back up in interest rates and renewed concerns about a subprime lending fallout hurt the markets later in the quarter, our overall economic views remain unchanged. We believe that the economic growth will remain soft, but that the markets can continue to do well on the

basis of improving price earnings multiples associated with moderating inflation. Over time, we believe that growth will resume and that those industries with the best long-term growth prospects will shine.

Technology and health care companies should do particularly well, as their growth is largely dependent on new innovations and not as subject to the economic growth as whole. We also expect industrial shares to continue to do well, based on the booming global economy and eventually, a positive upturn in the domestic economy. During the quarter, we added to our positions in these areas, while reducing our exposure to the consumer staples group.

Portfolio Characteristics

<u>Top Ten Holdings</u>
Google
Gilead Sciences
Goldman Sachs
Schlumberger Ltd
Charles Schwab
Cognizant Technology Solutions
Fluor Corp
Chicago Mercantile Exchange
Proctor & Gamble
Rockwell Collins

<u>Portfolio Statistics</u>	
Avg. Market Cap.	\$36.8 B
Median Market Cap.	\$12.8 B
Forward P/E Ratio	26.5x
Free Cash Flow Yield	4.0 %
Consensus Growth Rate	20.3%
Implied Growth Rate	17.1%
Return on Equity	22.1%
5 Year Beta	1.29x

<u>Sector Concentrations</u>		
	<u>Broadleaf</u>	<u>S&P 500</u>
Technology	24%	15%
Healthcare	17%	12%
Industrials	15%	11%
Cons. Disc.	14%	10%
Financials	13%	22%
Energy	10%	10%
Staples	3%	9%

Organizational Review

Some quarterly highlights:

- On the investment front, we continue to generate solid performance results on an inception to date and year to date basis. As we approach the completion of our second year in business and move into our third, we remain confident in our investment process and our ability to perform.

- On the business front, we continue to achieve our goal of expanding our network of business contacts and adding a client or two each quarter. Today, we maintain fifteen individual client relationships with just over \$12 million in assets under management.
- On the marketing front, we were asked to appear on CNBC's *Closing Bell* show, helping us gain more exposure for our firm and our views on the markets. In addition, our Economic Updates continue to be well-received, with the number of unique visitors to our website doubling since the end of 2006.
- Kenny Smaga, a junior from Denison University, has joined us as an intern for two days a week this summer. Kenny is a member of Denison's golf team and is working towards an economics degree. He enjoys following the stock market and is a member of the student run investment club. Kenny grew up in Hudson and graduated from Walsh Jesuit high school.

Investment Style

The Broadleaf Growth Portfolio employs an all-cap, concentrated growth style, holding approximately thirty equity positions from a cross section of economic sectors. Sector exposures typically reflect the outcome of our bottoms up stock selection process, which is influenced by our assessment of the economy and other long term trends. Innovative new ideas and themes are of particular interest to us and our all-cap approach provides us with the flexibility to invest anywhere we find it. Currently, the portfolio is biased towards large cap stocks with an average market capitalization of \$39 billion. 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.

Investment Objective

The portfolio's goal is to outperform the S&P 500 index over a three to five year time horizon. 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.

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 \$250,000. 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.*

As of June 30th, 2007, total composite assets in this style were \$5.7 million consisting of ten separate account relationships. Prior to January 5th, 2005 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 has 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. The index is based on total returns which includes dividends. While we believe this is an appropriate benchmark 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 just slightly less than 23 months. You are cautioned that information concerning comparative performance over such a limited period may bear no relationship whatsoever to performance over a longer period. 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 State of Ohio. The firm maintains a complete list and description of composites, which is available upon request.

For Additional Information Contact:

Broadleaf Partners, LLC
9 Aurora Street, Suite #5
Hudson, OH 44236
330.650.0921
(F) 330.650.0936
www.broadleafpartners.com

Doug MacKay, CFA
President & Chief Investment Officer
(C) 330.671.3749
dmackay@broadleafpartners.com

Jeff Travis, CFA
Director of Research & Chief Operating Officer
(C) 330.524.3696
jtravis@broadleafpartners.com