Second Quarter 2008 Review

Broadleaf Partners, LLC

Growth Equity Portfolio
Second Quarter Review
June 30, 2008

Performance Commentary

	Q2 2008	Year to Date	Last 12 Months	Since Inception (Cumulative)	Since Inception (Annualized)
Broadleaf	6.7%	-6.4%	4.0%	26.3%	8.5%
S&P 500	-2.7%	-11.9%	-13.1%	10.9%	3.7%

(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.)

While the markets did much better this quarter than last, the rally was relatively short lived following a surprisingly strong earnings season. Higher energy prices have been the primary drag on the stock market in recent weeks and very few sectors other than energy did well. It is apparent, as is often the case in difficult market environments, that more and more investors are piling into the fewer and fewer areas that are working. This means that sectors like energy and materials could continue to do well in the short-run, but that the pain may be even more severe if and when this game of musical chairs draws to a close.

Our portfolio actually did quite well in spite of the environment, gaining 6.7% compared to -2.7% for the S&P 500. On a year-to-date basis, the Broadleaf Growth Equity Portfolio has also excelled and would place in the top 11% of growth managers, according to Morningstar data. These results were achieved in spite of our underweight position in energy shares, a sector that we have begun to trim as prices have gone parabolic. Although stock specific factors drove much of our outperformance, the results were also very positive at the sector level with all areas but consumer discretionary participating. Our technology, industrial and energy holdings led to the upside, while our financial and health care sector positions followed.

On an annualized since-inception basis, The Broadleaf Growth Equity Portfolio has also managed to outperform its benchmark, the S&P 500, by 4.8% net of fees. Additionally, we also have managed to outperform our benchmark during the recent three quarter downturn, which we believe is a testament to our investment process and risk controls.

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Market Review & Outlook

To a great extent, the market's balance in the shorter term rests on a fulcrum represented by the price of a barrel of oil. If oil prices break out yet again to the upside, it will be very difficult for any areas of the stock market to do well, perhaps even energy itself. If, on the other hand, oil prices retrace their recent parabolic moves and fall back to longer term and more sustainable trends, it would usher in a period of multiple expansion for U.S. stocks and provide a breath of fresh air to the markets, particularly the beleaguered consumer discretionary sector.

Why might oil prices decline? In a word, slowing overseas economies, particularly China. High rates of inflation, tight monetary policy, a decline in leading indicators and a stock market more than fifty percent off its highs all suggest that an overseas slowdown is much more plausible than many may recognize.

While the continued implosion of the financial services sector has caused us to dust off our notes and take a second look at a potential buying point, we are not yet pulling the trigger. In general, we have also been reducing our exposure to the energy and industrial complex, while taking a more positive posture on the consumer discretionary sector. While this may be a bit too contrarian for most investors to stomach, there is another opportunity worth exploring as well, and it resides in technology sector.

Necessity, Plato once said, is the mother of invention. New inventions may be conceived by gee-whiz moments, but they are often only fully adopted when paired with painful problems. While we do not yet know if we have hit a flashpoint in oil prices, it is very likely that we have. In an intensely competitive global economy, it is difficult for companies to raise their end prices to consumers. Eventually, they will walk out on you.

So, how will companies respond? By getting more productive throughout their organizations. This overall shift should start to manifest itself in expanding multiples for the technology sector and other innovative companies that help customers defend their margins in a period of high and rising input costs. Innovation may be on the upswing and investors should take note.

Portfolio Characteristics

Top Ten Holdings

Google
Gilead Sciences
Illumina
Apple Computer
Schlumberger
Research in Motion
Intuitive Surgical
Flowserve
Charles Schwab
Visa

Portfolio Statistics	
Avg. Market Cap.	$41.5B
Median Market Cap.	$18.6B
Forward P/E Ratio	22.7x
Free Cash Flow Yield	3.3%
Consensus Growth Rate	20.1%
Return on Equity	25.9%
5 Year Beta	1.3x

Sector Concentrations

	Broadleaf	S&P 500
Technology	27%	17%
Healthcare	15%	11%
Industrials	21%	11%
Cons. Disc.	13%	9%
Financials	13%	15%
Energy	7%	15%

Organizational Review

During the second quarter, our total assets under management grew to $17.6 million. As we approach the three year anniversary of our track record in August, we have also launched our first full-fledged marketing campaign to share our investment results and process, communicate our success, and earn new business. While we are still in the earlier stages of this campaign -- one which will continue throughout the summer -- we are pleased to report that we are very excited and pleasantly surprised by our progress.

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 $41 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 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. One of our larger accounts tripled the size of their portfolio during the quarter and as a result of this sizeable cash flow, it will temporarily be removed from the composite, consistent with the aforementioned policy.*

As of June 30th, 2008, total composite assets in this style were $12.9 million consisting of 13 separate account relationships. Total firm assets at quarter end were $17.6 million, spread across 40 discretionary accounts. 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 two and a half years. 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.

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