Broadleaf Core Equity Portfolio

Broadleaf's Core Equity Portfolio is focused on thirty companies from a cross section of industries. Securities are selected on the basis of their long term growth potential and intrinsic value. The portfolio's goal is to outperform the S&P 500 index over a three to five-year time horizon. It is suitable for investors seeking an exposure to a concentrated equity 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.

Top Ten Holdings

Navteq
XTO Energy
Joy Global
Chicago Mercantile Exchange
Caterpillar
Qualcomm
Pixar
National Financial Partners
Starbucks
Legg Mason

Portfolio Statistics

Average Market Capitalization	$22.1B
Median Market Capitalization	$ 6.2B
Forward P/E Ratio	27.6x
Consensus Growth Rate	22%
ROE Trailing 4Q	20%
Beta	1.42

Sector Concentrations

Technology	36.3%
Healthcare	19.8%
Financials	19.5%
Consumer Discretionary	10.4%
Industrials	8.0%
Energy	5.9%

Transaction Summary

Bought: United HealthCare, Intuitive Surgical, Marvell, Macromedia, Schwab, Quality Systems, CB Richard Ellis, Cogent, Google & SIRF Technologies.

Sold: Amazon, Apollo Group, Zimmer, Cisco, Linear Technology, Affymetrix, Forest Labs, Harley Davidson, Form Factor, Research in Motion.

Added: XTO Energy, Navteq

Reduced: None

Performance Commentary

Broadleaf	+1.59% (+1.47% net)
S&P 500	+ .80%

(Fund Inception 8/19/05 to 9/30/05)

Our portfolio increased 1.59% during the period, ahead of the nearly flat results for the S&P 500 index. Strong positive results from the fund's energy (+20%), industrial (+13%) and financial (+7%) sector holdings were partially offset by weakness from its consumer discretionary (-7%) and health care (-7%) sector positions. Notable winners included Chicago Mercantile Exchange (+24%), Navteq (+15%), and Joy Global (+19%).

The widely reported effects of Hurricanes Katrina and Rita on an already tight energy market fueled upward moves in the energy sector while simultaneously bringing about a universal disdain for the consumer discretionary sector. We suspect higher oil prices will impact consumer spending over the short term, but to what extent, no one yet knows.

Market Outlook

The stock market will continue to have a difficult time making significant progress in the face of the Fed's continued campaign to keep inflationary expectations contained, particularly in an environment of rising oil prices. We believe it is likely that the Fed will remain in tightening mode for several more months, perhaps until Chairman Greenspan retires. We wouldn't be surprised to see his replacement eager to provide a more constructive environment for the equity markets; he or she will likely do so as soon as economic circumstances reasonably permit.

In the meantime this will remain a stock picker's market. It will be important to be in the right sectors and to identify companies that are benefiting from growth trends that aren't tied to the economy as a whole. We believe the energy and health care sectors will enjoy the solid overall results, with individual technology, financial services, and industrial companies following suit. While trading opportunities may arise within the consumer discretionary sector, we agree with the market's overall assessment that it may be an area to avoid for the shorter term.

We do not believe now is the time to get defensive, however, as we see ourselves much closer to then end of a Fed tightening cycle than the beginning. In spite of potential consumer softness, we do not see Corporate America slipping into a recession.

Strategy in Action

All of our investments are made with the intention to hold for the longer term. However, we believe a strong selling discipline is necessary to guard oneself against becoming emotionally tied to a single investment, particularly in a market full of promising opportunities and ideas. Like a garden, we believe regular weeding and pruning is necessary for the long term health of a portfolio.

We will sell or trim a position for one of the following three reasons:

Changing Seasons: The Macroeconomic Trigger

In these situations, the decision to sell specific names is typically unrelated to our assessment of a company's fundamental position, but due to a change in our thinking about how a sector will perform in a changing economic climate. During the quarter, we sought to reduce our significant exposure to the consumer sector while increasing our health care and energy positions. To this end, we sold Amazon and Harley Davidson to fund a new position in United Healthcare and add to our holding of XTO Energy.

Weeding: The Downside Trigger

Anytime a stock declines 15% relative to the market, it will *generally* be sold. We know we won't buy all positions right. Experience has taught us, however, that a significant decline in a specific holding – particularly in a favorable market environment – often occurs for a reason that lingers. We tend to believe the markets are relatively intuitive at determining inflection points in this regard. We'd recommend **The Wisdom of Crowds**, a book by James Surowiecki, for those interested in a fascinating look at the excellent track record that the collective judgment of a diverse group of individuals can have in determining the likely outcomes of various events or the answers to specific problems. Several positions were weeded out of the portfolio during the quarter, including Zimmer, Apollo Group, Forest Labs, and Research in Motion.

Pruning: The Upside Trigger

Just as important to minimizing downside losses is pruning names that generate significant relative outperformance for the portfolio. We will pare any name whose return is 50% or more above the S&P 500 over a similar period of time. This discipline will keep company specific risks under control in the portfolio and will also help us to realize some gains along the way, accomplishing the ultimate goal of "buying low and selling high."

Planting New Ideas

We regularly look for new ideas from a variety of sources screening for a combination of superior growth and profitability characteristics and balancing these against valuation and technical considerations. Our preference is for companies with a high return on equity, strong free cash flow yields, rising earnings estimates and increasing institutional sponsorship. While every holding is unique, we prefer buying a company at a discount to its 52 week high unless we are aware of significant fundamental developments that could make a continued break-out likely. During the quarter, we added to our positions in XTO and Navteq and established new positions including Intuitive Surgical, Marvell, and CB Richard Ellis.

Performance Disclosures

Results reflect actual performance of a proprietary Broadleaf account. The account is Doug MacKay's IRA rollover, which was chosen because it is currently the only account under management that reflects the concentrated, all-cap growth equity style. Performance data is shown both gross and net of advisory fees and trading costs. Broadleaf intends to charge different advisory fees to clients based on a number of 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. Past performance is no guarantee of future returns.

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.

Investment in securities, including mutual funds, involves risk of loss. Broadleaf has filed its ADV with the state of Ohio and hopes to be registered before the end of 2005. Broadleaf is not yet in business and is not currently accepting client investments. Pending successful registration, Broadleaf hopes to open its doors to the public at the beginning of 2006.