Third Quarter 2009 Review

Broadleaf Partners, LLC

Growth Equity Portfolio
Third Quarter Review
September 30, 2009

Performance Commentary

	Q3 2009	Year to Date	3 Years (Annualized)	Since Inception (Annualized)
Broadleaf	15.2%	35.3%	-0.8%	1.7%
S&P 500	15.6%	19.3%	-5.4%	-1.3%

The stock market continued to post strong gains during the third quarter with most indices up a blistering 15%. The stock market has moved from a scenario that discounted the second coming of the Great Depression to just one very nasty recession. Now, as we enter the fourth quarter, it appears likely that the economy has turned the corner and is in recovery mode. Positive GDP readings should become more evident in the quarters ahead even as unemployment lags.

During the quarter, most areas of the market did well but those with cyclical exposure faired even better. As with the market as a whole, our portfolio's gains were driven by the performance of technology, consumer discretionary, materials and financial shares. The energy sector was a laggard, as were the more defensive utility and consumer staples sectors, which is typical behavior during recoveries.

Since inception, the portfolio continues to meet its primary objective of outperforming the S&P 500 on a net of fees basis – currently by roughly 300 basis points annually. If the economy continues to improve as we expect, our portfolio is positioned to outperform.

(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.)

Market Review & Outlook

The stock market has taken an ugly turn during the first few days of trading in October, as several economic releases, though improving, fell below expectations. Unemployment - though a lagging indicator - spooked the market, feeding the bears' hopes for a double dip.

Where do we stand? All hope is not lost. Yes, we have pulled back a tad, but six months hence we suspect that the action in the markets and economy will show additional progress. We remain bullish for three reasons.

9 Aurora Street, Suite 5
Hudson, Ohio 44236

Phone: 330-650-0921
www.broadleafpartners.com

First, we believe that earnings will be substantially higher in the coming two quarters as gains on the cost front are matched by improvements in revenue and the dramatic, dual natured impact that might have on profit margins. If we are correct, employment levels, while not outstanding, should improve measurably. Profits generated in this dual natured manner should lead companies to start hiring again. We are already seeing improvements on the temporary hire front today, as manufacturing production ramps up to offset abnormally low inventory levels.

In spite of the recent releases, the second reason to be bullish is on the economics front. Another way to frame this debate is to look at it from the bear's perspective. Bears repeatedly base their case on the notion that employment trends look poor. But, if this measure does begin to improve over the next six months for reasons outlined above, the thesis behind the bear case may go into hibernation. Six months hence, we suspect that the view from the macro lens may be far less cloudy.

Finally, there remains Fed policy. It would be very unusual for the Fed to raise rates and take back stimulus in the face of high or rising unemployment. But, if our scenario pans out, the Fed may be ready to pull back at least marginally so six months from now. The greater their confidence in the employment outlook, the more confident the Fed may be in taking back what they so quickly provided. Bears, no doubt, might seize a change in Fed policy as their new stake in the ground. While this is a concern worth addressing, we would also argue that the Fed's moves often take twelve to eighteen months to work their way through the economy, leading us to be less concerned at least at this stage of the game.

On a final note, sentiment measures among investors and chief financial officers continue to be both guarded and cautious. We don't view this negatively. It means both investors and corporate officers will more likely make investment decisions based on prudent planning rather than the "go-go invest in anything now" mentality that accompanied Nasdaq 5000, Housing 2004, and the Private Equity Feast of 2007. Prudent Planning 101 is the philosophy that drives a market in recovery and allows bull markets to climb the wall of worry.

At this stage of the economic cycle, we continue to favor cyclicals over defensives, but are also moving more aggressively towards later cyclical plays like industrials and materials. If our economic call is correct, we would expect our relative period of outperformance to continue.

Portfolio Characteristics

Top Five Portfolio Holdings
Express Scripts
Apple Computer
Cisco Systems
Intuitive Surgical
Charles Schwab

Portfolio Statistics

Avg. Market Cap.	$46.3B
Median Market Cap.	$23.5B
Forward P/E Ratio	17.8x
Free Cash Flow Yield	3.6%
Consensus Growth Rate	14.3%
Return on Equity	19.5%
Beta	1.10

Sector Concentrations

	Broadleaf	S&P 500
Technology	22.3%	19%
Healthcare	17.0%	13%
Industrials	16.1%	10%
Financials	15.3%	15%
Cons. Disc.	10.3%	9%
Energy	6.4%	12%
Materials	5.4%	3%
Consumer Staples	5.3%	12%
Cash	1.9%	0%
Utilities/Telecom	0.0%	7%

Organizational Review

Broadleaf's assets under management grew significantly during the third quarter on strong market returns as well as additional deposits from both existing and new clients. As we enter our fifth year in business, we have also added three new employees in operations to support our continued growth as we approach the key five-year milestone of our investment performance track record.

Investment Style

The Broadleaf Growth Equity 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 strongly 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 $46 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 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 $54 million. 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 slightly longer than four years. You are cautioned that information concerning comparative performance over this period of time 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, but will register as required by law with the SEC for fiscal 2010. The firm maintains a complete list and description of composites, which is available upon request.

For Additional Information Contact:

Doug MacKay, CFA	Bill Hoover
Chief Investment Officer	President
(O) 330.650.0921	(O) 330.655.0507
(C) 330.671.3749	(C) 330.289.0515
dmackay@broadleafpartners.com	bhoover@broadleafpartners.com