Fourth Quarter 2009 Review

Broadleaf Partners, LLC

Growth Equity Portfolio
Fourth Quarter Review
December 31, 2009

Performance Commentary

	Q4 2009	2009	3 Years (Annualized)	Since Inception (Annualized)
Broadleaf	6.2%	43.7%	0.0%	3.0%
S&P 500	6.0%	26.5%	-5.6%	0.1%

The stock market continued to post strong gains during the fourth quarter, albeit at a smaller rate than the third quarter's fifteen percent gains. All in all, the markets finished 2009 on a very strong note as fears of the next Great Depression faded and anticipation of the end to the Great Recession grew.

During the quarter, most areas of the market did well. Financials were the only laggard, roughly flat for the quarter, while the more defensive health care sector perked to life with double digit gains as an outcome on political reform became clearer. In general, our results were in line with the markets, but with some differences in sector contributions. Stock picking helped us within the financial and technology sectors, but hurt us in the consumer discretionary and industrial spaces.

Since inception, the portfolio continues to meet its primary objective of outperforming the S&P 500 on a net of fees basis – 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 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.)

Market Review & Outlook

Each year at this time, we like to reflect on the year that was with the hope of gleaning a few nuggets of wisdom. With the caveat that the last two years have been anything but ordinary, these are our observations on 2009:

1. Investment decisions made on the notion that "it's different this time" usually end up in the bucket of dumb investment ideas. When fear ran rampant last March, it was easy to expect the worst. Very few – including ourselves - would have guessed that the stock market would prove capable of climbing 70% off those lows, but that is exactly what happened. For our portfolio, the most difficult investment decisions also proved the most profitable.

2. We don't remember a year when so many folks were so distraught by the change in Washington and what it might mean for their investment portfolios. As is so often the case, reality rarely

ends up the way right wing or left wing extremists paint it to be, whether we're talking global warming or the end of capitalism. This year once again reminded me that politics and investment policy make for very poor bedfellows.

3. Selling anything in 2009 was a mistake, just as buying about anything proved to be in 2008. Good results are easier to come by when the markets are strong like they were this year.

4. Hiring and training new employees is a lot of work but it sure beats the alternative. Installing new, firm wide software isn't for the faint of heart either, especially if you lack an IT staff.

5. The S&P 500 has been moving sideways at the 1100 level for most of the last six weeks, roughly the level it traded when Lehman Brothers went under fifteen months ago, ushering in a recession that far exceeded garden variety expectations. Breaking above this level in 2010 could symbolize a similarly important healing point for the economy, the stock market and investors at large.

Looking forward, we expect that the economy will do very well in 2010 and that the stock market should follow suit, although perhaps not to the same extent that we saw in 2009. We believe that investors will become increasingly comfortable with the durability of the recovery. This should serve to mute the downside type corrections we experienced during the last half of 2009, but will also dampen the strong upside moves we similarly experienced. In general, we are biased to tilting the portfolio in the direction of later stage cyclical companies whose stocks tend to outperform as the economic recovery matures.

Unanticipated moves in the stock market are usually the result of unexpected events. What might be the surprise of 2010? Most economists and investors predict a much slower rebound in GDP than would typically be expected in a recovery year, primarily as a function of a stubborn jobless rate. Currently, the consensus for GDP growth in 2010 is 3-4%, while 8% would be the historical norm for a recovery year. In this sense, the surprise might be an improvement in employment that is larger than expected, leading to a more robust rate of GDP growth in 2010. As is always the case, time will tell, but we believe the surprise bias could be a positive one.

Portfolio Characteristics

Top Five Portfolio Holdings

Express Scripts
Visa
Google
Schlumberger
XTO Energy

Portfolio Statistics

Avg. Market Cap.	$50.1B
Median Market Cap.	$23.8B
Forward P/E Ratio	17.5x
Free Cash Flow Yield	4.3%
Consensus Growth Rate	14.3%
Return on Equity	18.0%
Beta	1.2

Sector Concentrations

	Broadleaf	S&P 500
Technology	28.2%	23.0%
Financials	14.5%	14.6%
Healthcare	13.3%	12.5%
Energy	12.0 %	11.7%
Industrials	10.8%	10.3%
Cons. Disc.	8.0%	9.5%
Consumer Staples	5.4%	11.2%
Materials	4.9%	3.6%
Cash	2.9%	0.0%
Utilities/Telecom	0.0%	3.6%

Organizational Review

Broadleaf's assets under management grew significantly during the fourth quarter on strong market returns and additional contributions from both existing and new clients. We have also added three new employees and installed state of the art trading software in recent months 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 $50 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 $60.5 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.

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