



Broadleaf Partners, LLC

Growth Equity Portfolio

Second Quarter Review

June 30, 2010

Performance Commentary

	<u>Q2 2010</u>	<u>YTD</u>	<u>Past 12 Months</u>	<u>3 Years (Annualized)</u>	<u>Since Inception (Annualized)</u>
Broadleaf	-11.5%	-5.6%	15.4%	-4.0%	1.5%
S&P 500	-11.4%	-6.7%	14.4%	-9.8%	-1.3%
Russell 1000 Growth	-11.7%	-7.7%	13.6%	-6.9%	-0.3%
Morningstar Peer Group Ranking, Large Cap Growth	Top 31%	Top 9%	Top 20%	Top 8%	N/A

The stock market declined by just over 11% during the second quarter as European budget issues, the flash crash, the oil spill and continued sluggishness in the U.S. job market heightened concerns over the durability of the economic recovery. While stock market corrections are not unusual for this stage of the economic cycle, investor anxiety levels are elevated given painful memories of recent stock market losses.

As might be expected, all areas of the market declined during the second quarter, with the classic defensive sectors faring better than the averages themselves. Our portfolio performed in line with the overall index, buoyed by our larger position in consumer staples and the outperformance of specific stocks within the technology and materials sectors.

Next quarter will mark the five year anniversary of our investment performance track record, a key milestone for our firm. Since inception, we are beating our primary benchmark by nearly 300 basis points annually and our three year results would place us in the top 10% of our large cap peer group.

(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. The supplemental peer group rankings are based on a review of comparable mutual fund returns from Morningstar's Large Cap Growth universe. While the Broadleaf Growth Equity portfolio is not a mutual fund, we believe the peer group is representative of how we would be categorized.)

Market Review & Outlook

At this stage of the economic recovery, employment trends should be improving, but they aren't. In spite of corporate cash balances resting at record levels and spending intentions remaining high, few executives appear willing to pull the trigger on additional people, plant and equipment.

While an unstable regulatory environment and talk of European austerity may be partly to blame, the stock market appears to be clueing into the notion that it may be better to watch what these executives actually do with their money rather than what they are saying. In the process, the stock market itself may be establishing itself as a more credible leading indicator of economic activity than has been the case in the past, sentiments echoed by Alan Greenspan in a recent CNBC interview.

Going forward, we may indeed be operating in an extended period of slower growth, the so called "new normal." In such an environment, nominal gains in the stock market may be lower and dividends and active management may play a more dominant role in generating outperformance for investors.

In recent months, we've been favoring stability over cyclical, except where cyclical improvements have gone unrewarded, and innovators over those companies that participate in more mature markets. Though not as intentional, we've also favored domestic companies rather than those with international sales exposure.

While we're not in the "double dip" camp, we do believe that the bulk of the market's cyclical gains are now in the rear view mirror and, as such, a greater degree of conservatism in the portfolio may be warranted.

Portfolio Characteristics

Top Five Portfolio Holdings

Apple Computer
Cognizant Technology Solutions
H J Heinz
Google
Express Scripts

Portfolio Statistics

Avg. Market Cap.	\$38.7 B
Median Market Cap.	\$11.8 B
Forward P/E Ratio	14.0
Free Cash Flow Yield	7.1%
Consensus Growth Rate	14.0%
Return on Equity	22.3%
Beta	.93
Portfolio Yield	1.1%

Sector Concentrations

	<u>Broadleaf</u>	<u>S&P 500</u>
Technology	23.6%	18.7%
Industrials	16.4%	10.4%
Healthcare	14.9%	12.1%
Cons. Staples	12.7%	11.5%
Financials	8.6%	16.3%
Materials	7.1%	3.4%
Cons. Disc.	6.8%	10.1%
Energy	6.0%	10.7%
Cash	3.9%	
Utilities/Telecom	0.0%	6.8%

Organizational Review

In spite of the difficult market, our assets under management grew at a record pace in the second quarter on the strength of several new client wins and two significant contributions from existing clients. We continue to refine our marketing efforts in advance of the five year anniversary of our investment track record this September.

Investment Style

The Broadleaf Growth Equity Portfolio employs a concentrated growth style of investing, holding approximately thirty equity positions from a cross section of economic sectors. Morningstar would classify us as a large cap growth manager, but we will invest in select small and midsize companies as unique opportunities avail themselves. Currently, the portfolio has an average market capitalization of \$39 billion.

Sector exposures are strongly influenced by our views on three determinants of investment value, which we define as the economic cycle, the innovation cycle, and the credit cycle. 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. Innovative new ideas and themes are of particular interest.

Investment Objective

The portfolio's goal is to outperform the S&P 500 and Russell 1000 Growth indices 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 \$70.7 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 and Russell 1000 Growth Index have 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, while the Russell 1000 Growth is a broad based index reflecting the performance of a growth investing style bias. Both indices are based on total returns which includes dividends. While we believe these are appropriate benchmarks 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 less than five 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 Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request.

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