



STRIPs
Annual Review
December 31, 2017

<u>Strategy</u>	<u>Trailing 12 Months</u>	<u>3 Years (Annualized)</u>	<u>5 Years (Annualized)</u>
Conservative STRIP	8.02%	3.79%	4.95%
Conservative Peer Group	6.57%	3.63%	3.93%
Balanced STRIP	15.48%	7.11%	9.01%
Balanced Peer Group	13.96%	6.64%	8.04%
Growth STRIP	19.13%	7.94%	10.48%
Growth Peer Group	18.51%	8.12%	10.04%

**Please see important disclosures at the end of this document*

Broadleaf Strategic Investment Portfolios (STRIPs)

Broadleaf Strategic Investment Portfolios (STRIPs) are objective-based, globally diversified portfolios designed to match an investors' desire for market participation with a level of risk management that corresponds to their risk tolerance.

For risk averse investors, we offer a Conservative STRIP, designed to preserve capital while outpacing inflation over the long-term. Growth oriented investors who are able to tolerate some short-term volatility benefit from our Growth STRIP, which has a greater emphasis on long-term capital appreciation. We also offer a Balanced STRIP for those investors whose risk appetite falls somewhere in between.

These portfolios are best suited for investors who engage Broadleaf Partners to manage all or virtually all of their investments, and therefore expect a diversified portfolio that meets with their investment objectives. Diversification is achieved in each STRIP by investing across multiple asset classes and styles, seeking to meet their objectives by investing in US and international equities, alternative investments, diversified fixed income investments and cash equivalents.

Results are compared against two metrics. First, we determine whether or not each STRIP is achieving its stated objective, and second, we compare the performance of each STRIP to a group of similar publicly traded mutual funds that pursue the same objectives that we've set out to achieve.

Performance & Commentary

With another year in the books, we're happy to report that all three of our STRIPs strategies again achieved their stated objectives while outperforming their respective peer groups on a net of fees basis.

What an impressive year it was for global equity markets! With all eyes on the continued surge in the US stock market, some of you may have missed the fact that international markets were even stronger. Much of that could be considered a snap back from the prior years' weakness, though. Global economic growth, along with the perceived benefits of US tax reform, have created a friendly environment for stocks to continue their winning ways. But will they? We think so. At least domestically, and in the near-term. Lower tax rates represent a tailwind for the economy in that outlooks for jobs and productivity improve for corporations as they have more investment options going forward.

While the Fed has begun to boost interest rates in the US, they remain low by historical measures, and though they may nudge a bit higher, our belief continues to be that we're in a lower for longer environment for interest rates and inflation. Based on our macro view of the global economy, our STRIPs will continue to be diversified and well-balanced, with perhaps a bit more US equity exposure than our peer group.

In this update, we thought we'd share a little bit about how we structure our STRIPs. Over the last few years, we've made an effort to consider the use of ETFs over mutual funds when and where it makes sense. While the distinction between the two is largely an active vs. passive debate, there are other significant differences. In general, ETFs operate at a lower cost structure so charge only a fraction of actively managed fund fees, and they allow for much more flexible trading through exchanges. Mutual funds often impose minimum holding periods, which can encumber a STRIPs strategy that is attempting to rebalance or make a change to the model.

While this may be more of a behind the scenes look at our process than we would typically share in an annual update, we felt that it was worthwhile to explain some of the thinking behind the decisions we make, not only in terms of the investments that we want to make, but also the vehicles we use to access them. We intend for this migration to ETFs to continue, and want to be sure that you understand the reasons for it. Make no mistake, we're active managers and asset allocators. Ironically, using ETFs to an even larger degree allows us the flexibility to be even more active.

Best wishes for a prosperous 2018, and as always, we appreciate the trust that our friends and clients have placed in us.

Performance Disclosures

Results reflect the actual performance of Broadleaf's STRIPs Composites. Performance data is shown net of advisory fees, fund 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 STRIPs Composites include all fully discretionary accounts invested in their respective model portfolios with a minimum initial account size of \$100,000. 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 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.

Comparative peer group performance is calculated using a simple average return of a sample of publicly available mutual funds with similar investment objectives and risk parameters that closely match each of the three models that we manage. The sample group for each strategy includes mutual funds managed by Vanguard, Fidelity and Russell Investments. Specific funds are available upon request.

This information should not be regarded as in any way representing the likely future performance of the portfolios in absolute terms or in comparison to their peers. Investment in securities, including mutual funds, involves risk of loss. Past performance is no guarantee of future returns.

Performance information contained in this document including any reference to the purchase or sale of a security, or a strategy, is not intended to constitute personalized investment advice. Personalized investment advice is always dependent on individual factors, involves risk and is not a guarantee that any investment will produce favorable results.

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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