



Broadleaf Partners, LLC

STRIPs Annual Review December 31, 2016

Strategy	Trailing 12 Months	3 Years (Annualized)	5 Years (Annualized)
Conservative STRIP	5.75%	3.18%	5.00%
Conservative Peer Group	4.93%	3.10%	4.08%
Balanced STRIP	8.81%	3.90%	8.19%
Balanced Peer Group	7.66%	4.05%	7.74%
Growth STRIP	9.34%	3.73%	9.68%
Growth Peer Group	8.50%	4.04%	9.32%

**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

2016 was a good year for the Broadleaf STRIPs. While each strategy succeeded in continuing to meet its stated investment objective, each also exceeded the comparative returns posted by its respective peer group.

Unlike 2015, when a narrow group of US large-cap growth stocks shined, 2016 was the year of the US small-cap value stock. According to Morningstar, that category surged by more than 25% while their large-cap brethren barely budged, posting a category average return of 3.14%.

Domestic stocks, as measured by the S&P 500, outperformed those of developed countries around the world by a wide margin. Less-developed, “emerging” markets, buoyed by the tailwinds of a strong recovery in oil and energy-related stocks and commodities in general, recovered nicely and reversed their three-year streak of negative returns.

Once again, all eyes and ears were on the Fed throughout the year, as investors anticipated their decision to begin to normalize interest rates. That decision finally came in December, along with a statement that we should expect more hikes in the near future. Bond funds took a breather as a result, and financials celebrated the news that suggested the yield curve may soon steepen, making for juicier net interest margins for the lenders.

Oh...and then there was a presidential election that shook things up a bit. While few predicted the outcome, and even fewer expected the stock market reaction that followed, the “Trump rally” didn’t disappoint. Our STRIPs were well positioned to benefit from the run that ensued in financials and smaller-cap stocks, and our underweight position in fixed income allowed us to avoid the losses in those areas that followed the Fed decision to hike rates. Needless to say, the fourth quarter of 2016 didn’t lack excitement.

So where do we go from here? While there are certain to be surprises and Trump tweets that catch headlines and move markets, we continue to invest along a “lower for longer” theme of low interest rates, inflation and oil prices. The US economy should continue to grow modestly in that environment without overheating, emerging markets will continue to perform at the mercy of the commodity complex, and the impact of Brexit on the EU, US relations with other major countries around the world and the direction and magnitude of the US dollar relative to other currencies will set the stage for much of what happens in the global markets. In the meantime, we’ll continue to invest for the long-term, staying on track by making adjustments along the way.

Best wishes for a prosperous 2017, 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 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. All figures are shown net of actual fees. 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 and be at least 90% similar to the model for composite inclusion. 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.

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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