



# Broadleaf Partners, LLC

## STRIPs Annual Review December 31, 2019

<u>Strategy</u>	<u>Trailing 12 Months</u>	<u>3 Years (Annualized)</u>	<u>5 Years (Annualized)</u>
<b>Conservative STRIP</b>	<b>12.35%</b>	<b>5.50%</b>	<b>3.98%</b>
Conservative Peer Group	10.81%	5.10%	3.93%
<b>Balanced STRIP</b>	<b>18.92%</b>	<b>9.08%</b>	<b>6.67%</b>
Balanced Peer Group	18.02%	8.18%	6.14%
<b>Growth STRIP</b>	<b>22.57%</b>	<b>10.73%</b>	<b>7.46%</b>
Growth Peer Group	21.78%	9.96%	7.23%

*\*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 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 utilize our Growth STRIP, which has a greater emphasis on long-term capital appreciation. Finally, we 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**

2019 was a fantastic year for investors, exceeding performance expectations for conservative and growth oriented investors alike. All major asset classes participated, including US stocks, both large and small, international stocks and even fixed income, with many corporates and long-term treasuries posting total returns in the mid to high teens. Far better than average returns, to be sure. Such a broad rally is likely attributable to the “relief” from concerns weighing on the market in 2018. With China trade relations seemingly making progress, the Federal Reserve on hold from further interest rate increases and recession fears abating, the substantial selloff that occurred in late 2018 recovered and markets moved on to record-setting levels.

While it’s uplifting to celebrate recent results like the ones we show here, our STRIPs are designed to manage risk and meet primary objectives over the long-term. There will be good years and bad years along the way, but it’s the disciplined and patient investor who will benefit by staying focused on the long-term and working with us to develop an investment plan that aligns with his or her goals. Our STRIPs continue to outperform their peer group and meet their objectives over longer-term full market cycles, shown above in our three and five year net of fees results.

So what should we expect in the coming year? Well, it’s an election year, so we’re expecting a lot of noise. In spite of it all, we’re optimistic about the economy and believe that low inflation, interest rates and unemployment will continue to set the stage for further gains.

To our clients, we appreciate the trust you place in us and the opportunity to keep you on the right track to meet your investment goals.

## **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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