



**Broadleaf Partners, LLC**  
**All Cap Growth Equity Portfolio**  
**First Quarter Review**  
**March 31, 2006**

**Investment Style**

The Broadleaf Growth 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 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. 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. 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.

**Performance Commentary**

	<b><u>Q12006</u></b>	<b><u>MAR</u></b>	<b><u>FEB</u></b>	<b><u>JAN</u></b>	<b><u>SINCE INCEPTION</u></b>
Broadleaf	8.18%	4.98%	-4.22%	7.59%	19.66%
S&P 500	3.73%	1.11%	.05%	2.55%	6.22%

*(Fund Inception 8/19/05. Portfolio performance reflects Broadleaf's All Cap 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 assumed 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. Because we did not begin to serve investment advisory clients until after the first quarter began, and because we do not present performance information for accounts that have been under management for less than one full quarter, composite performance since inception and for the first quarter reflects performance of Doug MacKay's personal retirement account, which was the only account fully invested in the style for the entire relevant periods.)*

Our composite increased 8.18% during the first quarter, beating the S&P 500 index by a healthy margin. Since inception, we have gained 19.66%, more than 1300 basis points ahead of each benchmark.

While our performance was broad-based, our positions in the consumer discretionary, financial services and industrial sectors were the standouts. Our health care and technology related holdings performed in line, while our positions in energy were clearly a drag.

<u>Portfolio Statistics</u>		<u>Sector Concentrations</u>		
Avg. Market Cap.	\$23.6 B		<u>Broadleaf</u>	<u>S&amp;P 500</u>
Median Market Cap.	\$ 8.7 B	Technology	24.7%	15.4%
Forward P/E Ratio	25.2x	Financials	20.5%	21.0%
Free Cash Flow Yield	3.9%	Healthcare	18.9%	13.0%
Consensus Growth Rate	22%	Consumer	13.7%	10.3%
Implied Growth Rate	22%	Industrials	12.4%	11.6%
Return on Equity	23.6%	Energy	6.3%	9.8%
Portfolio Beta	1.55x			

<u>Top Ten Holdings</u>
Intuitive Surgical
Chipotle Mexican Grille
Goldman Sachs Group
Chicago Mercantile Exchange
Navteq
CB Richard Ellis Group
Starbucks
Cognizant Technology Solutions
Joy Global
Charles Schwab

### Organizational Developments

I am pleased to announce that Jeff Travis, CFA, joined Broadleaf Partners, LLC effective April 5, 2006. I have known Jeff for over ten years, having worked with him at Oak Associates, Ltd for most of that time. Most recently, Jeff served as a research analyst and a portfolio manager for two of Oak's mutual funds. Jeff is a close friend and the ideal candidate to help build Broadleaf Partners, LLC into a world class investment management organization. Jeff joins the firm as Director of Research and Chief Operating Officer.

I am also pleased to announce that we have officially moved into our new office space at the Brewster Mansion in downtown Hudson, Ohio. The Brewster Mansion is a beautiful historical building, built in 1853 and located across from the town's trademark "Clock Tower" next to the Village Green. We will send a change your address card shortly and plan to organize an Open House sometime this summer. Please stay tuned!

## Market Outlook

The transition of leadership at the Federal Reserve Board clearly captured headlines during the first quarter and had a noticeable effect on short term, intraday trading patterns. We suspect that new Fed Chairman Ben Bernanke will be similar to Greenspan in his quest to keep inflationary expectations low by setting monetary policy that encourages overall economic growth that is “just right”.

We continue to believe that the Fed is closer to the end of its rate hike campaign, suspecting it will be completed at some point in 2006. For most of the last two years, the Fed has been busy increasing interest rates and, not surprisingly, the market’s performance has been lackluster. We believe that the market’s strong first quarter results reflect an expectation that the Fed is approaching a neutral policy position and may indeed foreshadow a more positive market return environment.

As we move forward into 2006, we believe that earnings will continue to surprise on the upside, particularly for the industrial sector. To that end, we nearly doubled our industrial sector bet. The industrialization of Asia will likely prove to be a sustainable investment theme, similar to the United States at the turn of the century. It is hard to imagine the Fed having a significant impact on the rate of growth in this area of the world, where most of the world’s people are just now getting a taste of improving living standards. We suspect that the Federal Reserve Board may begin to adapt their thinking on the rate of growth that is “just right” in light of these worldwide trends. Greenspan had his “productivity” theme and we suspect Bernanke may follow suit with an “industrialization” theme of his own.

Our largest contrarian bet may be on the consumer. While consumers may be spending less on real estate, we have a hard time believing they won’t spend their rising incomes and wealth in other areas. One area may be a return to the stock market, which many individual investors lost faith in five years ago. To a certain degree, the capital markets based financials we own also reflect this expectation. Regardless, we are confident that consumers will flock to companies that offer unique experiences and products. We hope to capture some “alpha” in the sector through the individual company bets we’ve made.

## Performance Disclosures

*Results reflect the actual performance of Broadleaf’s All Cap 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 did not have any investment advisory clients prior to January 5<sup>th</sup>, 2006. Broadleaf’s All Cap Growth Equity Composite includes all fully discretionary accounts utilizing our All Cap, Growth Equity style, with a minimum account size of \$250,000. To be included in the composite, an account must have been under management for at least one **full** quarter. As of March 31, 2006, total assets under management in this style were \$8.0 million. However, only Doug MacKay’s personal retirement account was fully invested in the style for the entire quarter and, as such, composite returns since inception and for the first quarter only reflect this 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. While we believe this is an appropriate benchmark to use for comparison purposes, it should be expected that the volatility of the Broadleaf Core Growth Portfolio may be higher due to its concentrated nature.*

*Performance information since inception reflects actual performance of the composite over a period of only seven and a half months. You are cautioned that information concerning comparative performance over such a limited period 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. The firm maintains a complete list and description of composites, which is available upon request.*

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