



Growth Equity Portfolio Third Quarter Review September 30, 2026

Composite performance *vs. the S&P 500*

Total returns through Q3 2026. Periods greater than one year are annualized.

	Q3 2026	Year to Date	Trailing 12 Months	ANNUALIZED				Since Inception
				3 Years	5 Years	10 Years	15 Years	
BGEP	-0.7%	9.7%	7.8%	23.2%	11.9%	18.9%	17.5%	13.2%
S&P 500	2.3%	12.8%	15.7%	22.9%	13.8%	15.3%	15.7%	11.2%

Fund Inception 8/18/05. 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.

Performance Commentary

Growth stocks lagged the broader markets this quarter, although they staged a comeback during September as higher interest rates and energy prices hurt the average stock more than growth. On the surface, this year has been quite unremarkable. A quick look under the hood tells a bit of a different story.

Market Review and Outlook

This has been an average year for the stock market. But under the surface, it has been anything but typical. Rising oil prices, war, an all-time high in the deficit, a midterm election, the impact of AI, and an obsession over the Fed's next moves have all created significant undertow in what appears like calm seas.

Realizing the importance of staying invested over the long haul, investors may be less inclined to go to cash, rotating between sectors, styles, and factors to both generate and protect their investment returns. Even as reported earnings and forward estimates continue to hit record highs, the multiples investors have been willing to pay for those earnings have fluctuated wildly.

The rise of the retail investor and long short hedge fund popularity may have something to do with this phenomenon, along with more competitive interest rates that have investors scrutinizing equity valuations more closely.

When everyone is obsessed with what could go wrong as is the case today, Pete and I like to change the dialogue and ask ourselves, “What could go right?” And on that front, 2027 could turn out quite bullish.

So, what could go right? Before going there, let’s review the Economic, Innovation and Credit Cycles that drive our bigger picture views.

Economic Cycle

The economy is clearly in expansion mode.

Classically speaking, it feels like we are in the later stages of the economic cycle where persistent demand starts to exceed existing capacity (supply), generating higher inflation and leading the Fed to raise rates. While that’s certainly plausible given the unprecedented, massive capital spending going on in the economy, inflation has also been stoked for self-inflicted reasons, including the war with Iran and last year’s tariff experiment. These constraints to supply are temporary and can be fixed.

While the business capex environment is robust and the country’s citizens are fully employed, the consumer economy is more nuanced. Higher energy, food, and housing costs are significant headwinds for most, but less so for those who have participated in the stock market’s wealth creation machine. Net-net, recent retail sales reports suggest a consumer that is still spending despite the headwinds. The outperformance of the financial, industrial, materials, and energy sectors this year and the underperformance of the consumer staples and discretionary sectors illustrates the environment quite well.

What could go right for the Economic Cycle?

We could envision a scenario where the war with Iran ends and oil prices decline after the election. A strong business economy joined by a more constructive consumer economy could be a powerful combination.

Innovation Cycle

All eyes are focused on Artificial Intelligence, or I guess now, Super Intelligence.

Recent headlines have moved from the gnashing of teeth over all the capex spending and whether there will be a return for investors to whether the technology will eliminate mankind first, an outcome Anthropic suggested had a ten percent probability! Hoping to go public before year end, we think the fears have more to do with establishing rules for the playing field rather than ending the game, or us, for that matter.

A few years ago, Mark Zuckerberg called on the government to provide a regulatory framework for social media and related privacy concerns following all the election fraud allegations. Despite such pleas, legislation didn’t follow and we were left to see what accidents might

happen. Meta's recently announced settlement of up to \$18 billion with states over allegations involving teen social media addiction illustrates the potential cost of unresolved concerns and appropriate regulatory guardrails surrounding new technologies.

This has been the American way – allow modern technology the unbridled freedom to grow where the market takes it until accidents surface where regulation could be needed, who to fine and, sometimes, who to send to jail. While the concerns and risks over AI are real, the current pleas will likely go unheeded. US history suggests a wild west culture still prevails, contributing to our global leadership in all things innovation and the existence of places like Silicon Valley.

During third quarter earnings calls, the likelihood of continued capex growth was apparent. Hyperscalers like Amazon experienced accelerating revenue growth tied to infrastructure demand from open source and frontier large language models. Clearer insight into the path to profitability and return on investment came in the form of not only revenue growth, but greater insight into fixed investment useful lives and depreciation schedules.

What could go right for the Innovation Cycle?

Well, the survival of mankind would be a noticeably clear positive! But in all honesty, more of the same – greater progress in showing returns on the epic levels of investment - be it from new revenue opportunities and product discoveries to free cash flow generation that reflects a realistic estimate of the useful lives of all the capex investments.

Credit Cycle

On the Credit Cycle, we would note that several inputs have changed in the past year.

First, the IPO cycle has begun, with SpaceX going public earlier this summer, Anthropic considering it later this year and OpenAI punting to 2027. The IPO fever isn't as frenzied and broad as it was during the post Covid SPAC bubble but is narrower and far deeper in terms of the sums being raised.

In addition to Wall Street lining up to finance both private and public deals, the hyperscalers have moved past spending the entirety of their cash flows to now issuing debt to fund the enormous capex. Thus debt has become fashionable again, another sign of a humming, later stage economy.

Interest rates have increased not only domestically but globally as the demand for funds has grown. While inflation premiums, deficit concerns, and the end of the yen-carry trade may be partly responsible for the rise in rates, the insatiable appetite for capital plays a role as well. Have fund flows gone wild? While wilder than they were just a year or two ago, credit spreads suggest the markets remain balanced and not yet frenzied. Continued vigilance and doubt might allow the Credit Cycle continued room to breathe life into the equity markets next year.

As mentioned in the outset to this quarterly, this year has been a positive one for the markets, but also a volatile and frustrating one under the surface. This is often the case during midterm

election years when conflict and discontent are in high supply. Usually, the outlook improves as post-election clarity grows. A resolution to the war in Iran could pave the way for a decline in oil prices, providing a tailwind for both the consumer and an industrial economy with surging power needs.

To borrow Sir John Templeton's words, "Bull markets are born on pessimism, grow on skepticism, mature on optimism and die on euphoria." The markets may not be pessimistic, but investors have no shortage of reasons to be skeptical. By this reasoning, 2027 could shape up to be a strong growth year, indeed.

Portfolio Characteristics

Portfolio Statistics	
Avg. Wtd. Market Cap.	\$2.00T
Median Market Cap	\$356.4B
Forward P/E Ratio	23.5x
Median P/E Ratio	42.1x
Free Cash Flow Yield	2.1%
Median Return on Equity	30.2%
Beta	1.35
Portfolio Yield	.5%
3yr Avg Rev Growth	27.5%
3yr Avg EPS Growth	48.4%

Investment Style

The Broadleaf Growth Equity Portfolio employs a concentrated growth style of investing, holding approximately 25-35 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. 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 based on their long-term growth potential, profitability, and intrinsic value as measured by their free cash flow generating characteristics. Innovative ideas and themes are of particular interest.

Investment Objective

The portfolio's goal is to provide equity-like returns and to outperform the S&P 500 over a three to five-year time horizon or full market cycle, utilizing a growth-oriented investment style. The portfolio is suitable for investors seeking 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 \$250,000. (From firm inception to 6/30/2009 our minimum account size for composite inclusion was \$250,000 and from 6/30/2009 to 6/30/2013, the minimum had been \$100,000. Historical results have not been updated retroactively to reflect changes in account minimums but are reflected on a going forward basis.) 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 \$595 million. Prior to January 5th, 2006 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 has been used for comparative benchmark purposes because the goal of the stated strategy is to provide equity-like returns and to outperform the S&P 500 over a three to five-year time horizon or full market cycle. The S&P 500 is a broad-based index reflecting the performance of the equity market in general. The S&P 500 Index is based on total returns which includes dividends. We monitor the performance of our growth style of investing by comparing our results to those of other large cap growth peers. 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 greater than fifteen years. You are cautioned that information concerning comparative performance over this period may bear no relationship whatsoever to performance over other time periods. This information should not be regarded as in any way 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.

Portfolio attributes such as yield are presented to provide insight into the composition or profile of the portfolio and its underlying assets. These attributes are not intended to be measures of actual or future performance or income. Unless otherwise indicated, attributes are shown gross of advisory fees and expenses. The overall impact of fees and expenses is best reflected in the portfolio's gross and net performance 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.

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.

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