Polen U.S. Small Company Growth

Portfolio Manager Commentary – March 2024

Summary

- In the first quarter, the Polen Capital U.S. Small Company Growth Composite Portfolio (the "Portfolio") returned 1.42% gross and 1.11% net of fees compared to 7.58% for the Russell 2000 Growth Index (the "Index"), and 4.77% for the S&P SmallCap 600 Growth Index.[1]

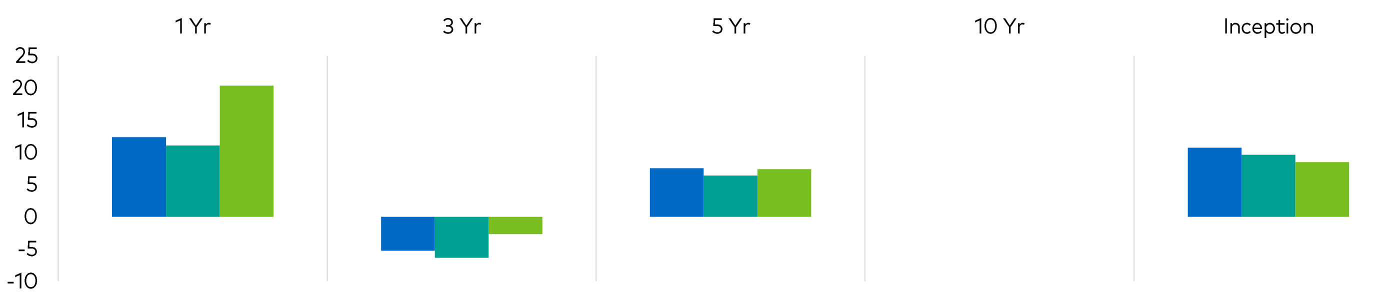
- It was a historic quarter for the Russell 2000 Growth Index as two companies, Super Micro Computer and MicroStrategy, drove more than half the Index returns. Super Micro, provider of high-performance, energy-efficient servers, was up over 250% and is now at a nearly $60 billion market cap. Crypto-driven MicroStrategy was up over 170% and approaches a $30 billion market cap. Both companies will leave the Index with the June rebalancing.

- We see ourselves in essentially the same environment that we noted last quarter. In late 2023, it became clear that interest rates had peaked, precipitating a bottom in the Russell 2500 Growth Index on October 27, followed by a rally that can generally be considered lower quality. The high-quality nature of our Portfolio was a headwind in the final months of 2023, a trend that continued into the first quarter.

- There were no new portfolio positions in the first quarter. We added to existing positions in AMN Healthcare, Progyny, SiTime, Clearwater Analytics, Generac, and EXL Service Holdings. We trimmed our positions in Wingstop and Houlihan Lokey. We eliminated our position in Bumble.

- We favor businesses with robust free cash flow, persistent growth, and high returns on capital. We consistently aim to own companies that we believe are undervalued relative to their long-term compounding potential. As always, we believe maintaining our focus on high-quality growth companies well-positioned to drive cash flow and earnings growth over the next five years will generate long-term performance.

Seeks Growth & Capital Preservation (Performance (%) as of 3-31-2024)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
U.S. Small Company Growth (Gross)	1.42	1.42	12.36	-5.28	7.52	-	10.74
U.S. Small Company Growth (Net)	1.11	1.11	11.07	-6.35	6.42	-	9.63
Russell 2000 Growth	7.58	7.58	20.35	-2.68	7.37	-	8.47

The performance data quoted represents **past performance and does not guarantee future results.** Current performance may be lower or higher. Periods over one-year are annualized. Performance figures are presented gross and net of fees and have been calculated after the deduction of all transaction costs and commissions, and include the reinvestment of all income. Please reference the GIPS Report which accompanies this commentary.

The commentary is not intended as a guarantee of profitable outcomes. Any forward-looking statements are based on certain expectations and assumptions that are susceptible to changes in circumstances. Opinions and views expressed constitute the judgment of Polen Capital as of the date herein, may involve a number of assumptions and estimates which are not guaranteed, and are subject to change. Contribution to relative return is a measure of a securities contribution to the relative return of a portfolio versus its benchmark index. The calculation can be approximated by the below formula, taking into account purchases and sales of the security over the measurement period. Please note this calculation does not take into account transactional costs and dividends of the benchmark, as it does for the portfolio. Contribution to relative return of Stock A = (Stock A portfolio weight (%) - Stock A benchmark weight (%)) x (Stock A return (%) – Aggregate benchmark return (%)).

All company-specific information has been sourced from company financials as of the relevant period discussed.

[1] Given the quarter's unusual return for the Russell 2000 Growth Index, we provide the S&P SmallCap 600 Growth Index as we believe it reflects the broad market more accurately.

Commentary

In the first quarter of 2024, the Polen Capital U.S. Small Company Growth Composite Portfolio returned 1.42% gross and 1.11% net of fees compared to 7.58% for the Russell 2000 Growth Index and 4.77% for the S&P SmallCap 600 Growth Index. It was a historic quarter for the Russell 2000 Growth as two companies—Super Micro Computer and MicroStrategy—drove more than half the Index's performance. Super Micro, provider of high-performance, energy-efficient servers, was up over 250% and is now at a market cap of nearly $60 billion. Crypto-driven MicroStrategy was up over 170% and approaches a $30 billion market cap. Both companies will leave the Index with the June rebalancing.

We do not own either company, as they do not meet our Flywheel investment criteria.[2] Furthermore, Super Micro has been outside our market cap discipline for over a year. While we seek to maximize returns on a 3- to 5-year basis, we were disappointed not to overcome these headwinds over the period, which weakened relative returns.

Reflecting on the start of 2024, we find ourselves in essentially the same environment we called out last quarter. Late last year, it became clear that interest rates had peaked, precipitating a bottom in the Russell 2500 Growth Index on October 27, followed by a rally that can generally be considered lower quality. Our Portfolio's high-quality nature was a headwind in the final months of 2023, a trend that continued into the first quarter.

While market dynamics were essentially unchanged from last quarter, price momentum ratcheted up significantly in the first quarter. Momentum was the best-performing style factor by a wide margin, which we believe calls for incremental caution. We experienced this dynamic most acutely during the February and March earnings season. Many companies that announced FY24 guidance ahead of street expectations shot up significantly, no matter the starting valuation or how rosy the outlook. Also, many companies that missed expectations slightly or offered a more measured outlook plummeted on the news. We saw this dynamic in our Portfolio, with some companies benefiting directly from the trend and others impaired. In some upside cases, stock price reactions vastly overshot the underlying fundamentals, leading us to trim our positions.

We see great opportunity in some instances where companies missed expectations, particularly where we view management as prudently conservative, with promising relative growth and expected returns.

This opportunity cost mindset largely explains our Portfolio activity during the quarter. In instances where we misjudged, the businesses are either under review for Flywheel violations currently, or we sold positions, as was the case with Bumble.

We noted cautious optimism in last quarter's letter. While we maintain that optimism, we remain concerned about the potential crowding effect of momentum investors piling into a select group of stocks. It is not uncommon across the broad market to see low-quality leading in the initial stages of recovery. While this low-quality success proves a headwind for us today, we believe many of our companies have significant latent potential over the near and long term. This potential holds true for both valuation and, more importantly, fundamental earnings growth, which continues to outpace the Index on a trailing and projected basis. We have already witnessed some great "winners" this year and remain enthusiastic about the outlook for our Portfolio returns.

Portfolio Performance & Attribution

The top contributors to the Portfolio's quarterly performance, both relative and absolute, were **Wingstop**, **Core & Main**, and **AppFolio**.

Wingstop is the world's largest fast casual chicken wing-focused restaurant chain with roughly 2,000 locations. Throughout 2023, the company exceeded high expectations, delivering double-digit same-store sales growth while expanding into new regions internationally. As noted below, while we remain enthusiastic about Wingstop's long-term opportunity, we have trimmed our position on valuation, with the stock up 130% over the past seven months.

Core & Main is an industrial distributor specializing in waterworks and fire protection, providing an extensive range of over 200,000 products in the water infrastructure market. The company's fundamental business performance has been better than expected, and it continues to execute its disciplined M&A strategy very well. We view Core & Main as a high-quality business with numerous competitive advantages and reinvestment opportunities, supported by structural tailwinds given the need to repair and replace aging municipal water infrastructure.

AppFolio, a provider of cloud-based software for the property management industry, continued to exceed expectations significantly in the first quarter. Appfolio has done an exceptional job accelerating revenue and ramping up profitability. Even with higher margins, AppFolio has accelerated R&D investments to drive successful product development and push increasingly into competing upmarket, a segment they have not historically served. In our view, this activity could create a greater runway for revenue and profit growth.

[2]The Flywheel framework is how we assess quality that supports sustainable growth. It is comprised of five self-reinforcing elements: 1) unique positioning, 2) a repeatable sales process, 3) a robust business model, 4) effective management, and 5) value-creating reinvestment.

The most significant detractors from relative performance in the quarter were **Super Micro Computer (not owned)**, **Globant**, and **Bumble**. On an absolute basis, the most significant detractors were **Endava**, **Globant**, and **Bumble**.

Our top relative detractor this quarter was **Super Micro Computer**, a company we do not own. As noted previously, the stock is up a staggering +255% in the first quarter, putting the market cap at close to $60 billion, more than 10x the weighted average market cap of the entire Russell 2000 Growth Index. Super Micro will leave the Index in June.

Globant, a cloud-native IT services company specializing in digital technology, was also a top detractor in the quarter. While Globant has been a strong contributor on a one-year and six-month basis, the stock reacted negatively to what we view as prudently cautious guidance from management in their fourth quarter 2023 earnings report. Secular tailwinds support Globant as companies are compelled to spend on digital transformation and increase spending to integrate AI effectively. We maintain our confidence in the company's capability to deliver mid to high double-digit top-line growth for many years. Despite broad IT services headwinds, we have been very impressed with Globant's significantly above-industry growth.

Bumble, a leader in the dating app segment, has been a challenging investment for some time. Given the strong and consistent 20%+ growth in the core Bumble platform, we held on to the stock. In our experience following this industry, we've seen it change and adapt to different generations. In our view, market concerns about penetration and slower growth were overblown. However, the business unexpectedly decelerated in the fourth quarter 2023, and the new CEO announced widespread layoffs and sweeping leadership change. Both factors drove the stock to underperform in the quarter and we sold our position. While we remain positive on many aspects of the business, we are concerned about this significant, sudden change and the rising execution risk, not to mention the recent deceleration in growth that could indicate a shift in consumer preferences. We prefer to watch from the sidelines to see how these developments play out.

Portfolio Activity

While there were no new positions in the first quarter, we added to existing positions in **AMN Healthcare**, **Progyny**, **SiTime**, **Clearwater Analytics**, **Generac**, and **EXL Service Holdings**. We trimmed our positions in **Wingstop** and **Houlihan Lokey**. We eliminated our position in **Bumble**.

At a high level, our Portfolio activity was driven by an opportunity cost mindset. We continuously evaluate our holdings' quality and expected returns versus our other holdings and the broader opportunity set. As such, trims of Wingstop and Houlihan Lokey—among our largest positions—were opportunities to redeploy capital from stocks that have performed very well (hence lower expected returns) into positions that represent the best combination of conviction, quality, long-term earnings and cash flow growth, and expected returns.

As previously noted, we eliminated our position in Bumble. While the valuation is attractive, and we like this business very much, we are concerned about extensive management changes and our possible misjudgment of the duration of the company's potential growth. The current range of outcomes is wider than we would like, and we prefer to watch from the sidelines.

Outlook

While market sentiment has improved, and we are cautiously optimistic about stabilizing interest rates, the reality is that uncertainty persists. This underscores our commitment to retaining a long-term focus on competitively advantaged, financially flexible businesses.

> **We believe that consistently owning businesses with robust balance sheets and the ability to reinvest in any environment trumps short-term temptations to own lower-quality businesses.**

Looking ahead to 2024 and beyond, we see significant opportunity for the asset class, particularly for our investing style. In our view, high-quality small cap companies have greater latent potential for growth relative to more mature businesses. The highest-quality small cap companies will be more likely to take advantage of strong balance sheets and continued reinvestment to advance their competitive position, tackle adjacencies, and enjoy better potential opportunities for value-added acquisitions. Given that so few companies meet this high hurdle, we hold a concentrated portfolio of companies that offer not only growth and high-potential returns but also durability, robust financial models, the ability to self-fund growth, and what we view as superior management teams.

We believe great investing requires a clear and proven philosophy, a disciplined process, and conviction. It also requires great humility and a willingness to change our view when the evidence requires it—something we are always prepared to do. We look forward to keeping you updated on our views in future commentary.

Thank you for your interest in Polen Capital and the U.S. Small Company Growth Portfolio. Please contact us with any questions.

Sincerely,

Rayna Lesser Hannaway, CFA and Whitney Young Crawford

Experience in High-Quality Growth Investing

Rayna Lesser Hannaway, CFA
Head of Team, Portfolio Manager & Analyst
27 years of experience

Whitney Young Crawford
Portfolio Manager & Analyst
16 years of experience

GIPS Report

Polen Capital Management
U.S. Small Company Growth Composite—GIPS Composite Report

		UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation[2]	
Year End	Total ($Millions)	Assets ($Millions)	Assets ($Millions)	U.S. Dollars ($Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	Russell 2000G (%)	Composite Dispersion (%)	Polen Gross (%)	Russell 2000G (%)
2023	58,910	22,269	36,641	14.17	40	23.13	21.72	18.66	0.1	24.59	21.79
2022	48,143	18,053	30,090	89.27	40	-42.10	-42.86	-26.36	0.1	29.29	26.20
2021	82,789	28,884	53,905	83.89	156	18.67	17.69	2.83	0.6	23.54	23.08
2020	59,161	20,662	38,499	48.06	68	56.41	55.08	34.63	1.7	25.52	25.10
2019	34,784	12,681	22,104	8.28	8	22.73	21.62	28.50	0.1	N/A	N/A
2018	20,591	7,862	12,729	3.82	6	3.30	2.31	-9.29	0.0	N/A	N/A
2017[1]	17,422	6,957	10,466	5.65	4	20.74	19.82	18.22	N/A	N/A	N/A

Performance % as of 12-31-2023:
(Annualized returns are presented for periods greater than one year)

	1 Yr	5 Yr	10 Yr	Inception
U.S. Small Company Growth (Gross)	23.13	10.18	-	10.92
U.S. Small Company Growth (Net)	21.72	9.08	-	9.82
Russell 2000 Growth	18.66	9.23	-	7.78

[1]Performance represents partial period (March 9, 2017 through December 31, 2017), assets and accounts are as of December 31, 2017.
[2]A 3 Year Standard Deviation is not available for 2017, 2018 and 2019 due to 36 monthly returns are not available. Some versions of this GIPS Report previously included assets of the Firm's wholly-owned subsidiary in the 2022 Firm Assets figure, in error. The figure above has been corrected to no longer count assets at the subsidiary level. Total assets and UMA assets are supplemental information to the GIPS Composite Report. N/A - There are five or fewer accounts in the composite the entire year. While pitch books are updated quarterly to include composite performance through the most recent quarter, we use the GIPS Report that includes annual returns only. To minimize the risk of error we update the GIPS Report annually. This is typically updated by the end of the first quarter.

GIPS Report

The U.S. Small Company Growth Composite created on July 3, 2017 with inception date March 9, 2017 contains fully discretionary small company equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against Russell 2000 Growth. Effective January 2022, fully discretionary small company equity accounts managed as part of our U.S. Small Company Growth strategy that adhere to the rules and regulations applicable to registered investment companies subject to the U.S. Investment Company Act of 1940 were included into the U.S. Small Company Growth Composite. The accounts comprising the portfolios are highly concentrated and are not constrained by EU diversification regulations.

Polen Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Polen Capital Management has been independently verified for the periods April 1, 1992 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Polen Capital Management is an independent registered investment adviser. Polen Capital Management maintains related entities which together invest exclusively in equity portfolios consisting of high-quality companies. A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. In July 2007, the firm was reorganized from an S-corporation into an LLC and changed names from Polen Capital Management, Inc. to Polen Capital Management, LLC. A material error in the 2017 annual performance for the Russell 2000 Growth was corrected as of April 17, 2020. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm.

Effective January 1, 2022, composite policy requires the temporary removal of any portfolio incurring a client initiated significant net cash inflow or outflow of 10% or greater of portfolio assets, provided, however, if invoking this policy would result in all accounts being removed for a month, this policy shall not apply for that month. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of fees and include the reinvestment of all income. Net of fee performance was calculated using either actual management fees or highest fees for fund structures. The annual composite dispersion presented is an asset-weighted standard deviation using returns presented gross of management fees calculated for the accounts in the composite the entire year. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The separate account management fee schedule is as follows:
Institutional: Per annum fees for managing accounts are 100 basis points (1.00%) on the first $50 Million and 85 basis points (0.85%) on all assets above $50 Million of assets under management. HNW: Per annum fees for managing accounts are 175 basis points (1.75%) of the first $500,000 of assets under management and 125 basis points (1.25%) of amounts above $500,000 of assets under management. Actual investment advisory fees incurred by clients may vary.

The per annum fee schedule for managing the Polen U.S. Small Company Growth Fund, which is included in the U.S. Small Company Growth Composite, is 100 basis points (1.00%). The total annual fund operating expenses are up to 135 basis points (1.35%). As of 9/1/2023, the mutual fund expense ratio goes up to 1.35%. This figure may vary from year to year.

Past performance does not guarantee future results and future accuracy and profitable results cannot be guaranteed. Performance figures are presented gross and net of fees and have been calculated after the deduction of all transaction costs and commissions. Polen Capital is an SEC registered investment advisor and its investment advisory fees are described in its Form ADV Part 2A. The advisory fees will reduce clients' returns. The chart below depicts the effect of a 1% management fee on the growth of one dollar over a 10 year period at 10% (9% after fees) and 20% (19% after fees) assumed rates of return.

The Russell 2000® Growth Index is a market capitalization weighted index that measures the performance of the small-cap growth segment of the U.S. equity universe. It includes Russell 2000® Index companies with higher price/book ratios and higher forecasted growth values. The index is maintained by the FTSE Russell, a subsidiary of the London Stock Exchange Group.

The volatility and other material characteristics of the indices referenced may be materially different from the performance achieved. In addition, the composite's holdings may be materially different from those within the index. Indices are unmanaged and one cannot invest directly in an index.

The information provided in this document should not be construed as a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the composite or that the securities sold will not be repurchased. The securities discussed do not represent the composite's entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, and restrictions. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. A complete list of our past specific recommendations for the last year is available upon request.

Return	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
10%	1.10	1.21	1.33	1.46	1.61	1.77	1.95	2.14	2.36	2.59
9%	1.09	1.19	1.30	1.41	1.54	1.68	1.83	1.99	2.17	2.37
20%	1.20	1.44	1.73	2.07	2.49	2.99	3.58	4.30	5.16	6.19
19%	1.19	1.42	1.69	2.01	2.39	2.84	3.38	4.02	4.79	5.69