Polen International Growth

Portfolio Manager Commentary – March 2023

Summary

- After sharp contractions in equity valuations during 2022, the trend reversed in early 2023. Though we have said this repeatedly over the years, most of the companies we own continue to deliver steady growth.

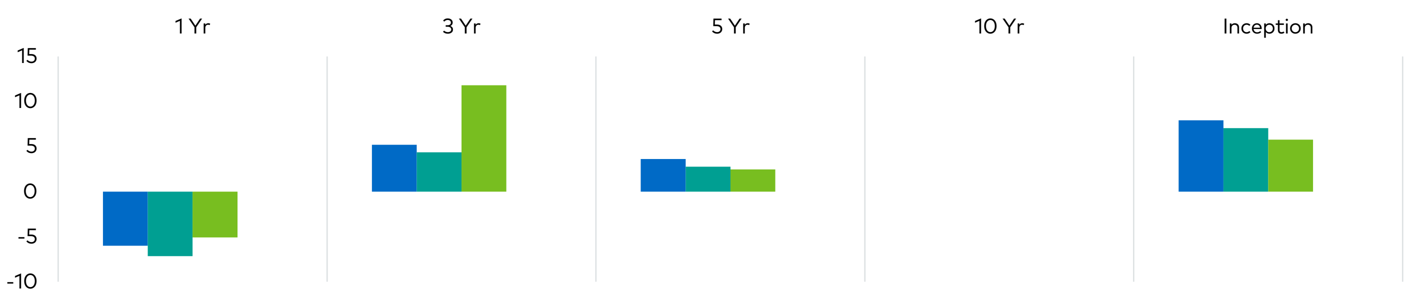
- The International Growth Composite Portfolio (the "Portfolio") outpaced the MSCI ACWI ex-USA Index for the first quarter of 2023.

- The top three relative contributors were Evolution AB, MercadoLibre, and Adidas, and the top three relative detractors were Teleperformance, Experian, and Taiwan Semiconductor (not owned). The top absolute contributors were Evolution AB, MercadoLibre, and SAP and the top three absolute detractors were Teleperformance, Experian, and Globant.

- During the quarter, we initiated a new position in Teleperformance and made modest trims to our positions in Aon and Accenture.

- We believe the Portfolio is well stocked with competitively advantaged businesses. Our optimism about the Portfolio over the coming five years stems from our view of each companies' strengths and growth potential.

Seeks Growth & Capital Preservation (Performance (%) as of 3-31-2023)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Polen International Growth (Gross)	14.19	14.19	-6.00	5.19	3.61	-	7.92
Polen International Growth (Net)	13.85	13.85	-7.15	4.37	2.77	-	7.04
MSCI ACWI (ex-USA)	6.87	6.87	-5.07	11.80	2.47	-	5.77

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.

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

Commentary

In the first quarter growth stocks delivered gains, driven by consistent fundamental growth and forward P/E multiple expansion. Though we have said this repeatedly over the years, most of the companies we own continue to deliver steady growth. After sharp contractions in equity valuations during 2022, the trend reversed in early 2023. Multiple expansion could be due to investor belief that the aggressive interest rate tightening cycles the Fed embarked upon in 2022 are on their last legs. The International Growth Composite Portfolio (the "Portfolio") returned 14.19% and 13.85%, gross and net of fees, respectively, and outpaced the MSCI ACWI ex-USA Index return of 6.87%. Portfolio performance came on the back of broad-based strength as all but five holdings delivered quarterly share price gains. We added one new holding to the Portfolio and trimmed a few businesses that have delivered solid results in recent years.

Growth stock re-rating benefitted the Portfolio in the first quarter. After bottoming out in late 2022 at a ~18x forward P/E multiple, the Portfolio saw slight multiple expansion entering 2023. In our quarterly letters last year, we noted that most Portfolio holdings reported steady and consistent business results. This trend continued in the first quarter of 2023.

> **For most of the companies we own, long-term growth initiatives continue to progress and management teams sound confident about their businesses' trajectory.**

There are a few exceptions to this point, which we detail in the contributors and detractors section below.

Portfolio Performance & Attribution

The top three contributors to performance on a relative basis during the first quarter were **Evolution AB**, **MercadoLibre**, and **Adidas**. The top three detractors to performance on a relative basis during the first quarter were **Teleperformance**, **Experian**, and **Taiwan Semiconductor** (not owned). The top three contributors to performance on an absolute basis during the first quarter were **Evolution AB**, **MercadoLibre**, and **SAP**. The top three detractors to performance on an absolute basis during the first quarter were **Teleperformance**, **Experian**, and **Globant**.

Evolution AB, the online gaming provider, continues to generate attractive growth as a result of favorable secular trends within its industry and its solid value proposition to its customers. The company's recent earnings and outlook for 2023 continue to support our above average weight for this business. **MercadoLibre**, the online marketplace/fintech platform based in Latin America, reported better-than-expected results for its Q422. Also, the company's newer growth catalysts such as its advertising business and its credit platform are having a more significant contribution to the company's growth and profitability. **Adidas'** stock price outperformed the benchmark during the quarter as the company recovers from a challenging 2022. Optimism surrounding the company's new CEO, Bjorn Gulden, and better-than-expected results from some industry peers, have contributed to an improved outlook for the company for 2023.

Teleperformance, the newest addition to the Portfolio, and **Globant** were both modest relative detractors during the quarter. Both companies operate within the broad IT services and outsourcing industry, which has seen decelerating growth recently as macroeconomic concerns have begun to affect enterprise IT spending. **Experian** was also a modest relative detractor during the quarter. Based on our analysis, the business is still performing well, with management guiding to FY23 revenue growth in the high-single-digit/low-double-digit range. However, recent issues in the global banking sector have been pressuring the stock price as investors may be concerned about any ancillary effects to Experian's credit business. We view Experian's business as relatively insulated from these issues, but we will continue to monitor any potential ramifications.

Portfolio Activity

During the quarter, we initiated a new position, and subsequently added to that position, in **Teleperformance**. To fund this new purchase, we made modest trims to our positions in **Aon** and **Accenture**.

We initiated a new position **Teleperformance**, the world's leading outsourced customer service provider. This business model fits our eye as it combines outsourced, human capital-intensive services with an underpenetrated and highly fragmented market opportunity. Switching costs make Teleperformance a sticky, sustainable business, in our view. The average duration of a client partnership is 13 years, and the company sports a 95% customer retention rate. There are echoes of the ICON and Accenture investment cases here. This is a large enterprise: >420,000 employees serve >1000 customers in >170 countries.

Teleperformance lets customers outsource business processes they used to handle in house, often starting with customer relations but quickly growing the scope of a relationship through further value enhancing services. As a best-in-class operator with >40 years of operational experience and a global operation spanning >80 countries, our research shows that Teleperformance offers better outcomes (superior customer services) at lower costs than in-house alternatives. We know from experience with ICON that if a customer believes a company offers a superior value proposition, it can enable consistent share gains.

With less than 30% of addressable workloads outsourced, customer services are an underpenetrated addressable opportunity. The company serves many of the world's largest enterprises, including many businesses that we hold in our large company growth portfolios. Teleperformance is poised to grow revenue at a high-single-digit rate with moderate margin expansion, according to our analysis. As with other asset-light companies we hold, capital allocation can go to M&A or share repurchases. The company can grow total returns at a low-to-mid teens rate in our estimation.

In order to fund the purchase of, and subsequent addition to, Teleperformance, we modestly trimmed our positions in **Aon** and **Accenture**. We trimmed our weighting in Aon, though it remains a top three weighting in the Portfolio. We believed there was room to trim the position after significant relative outperformance by the stock in 2022. There is no change to our positive outlook for this business. We also trimmed our weighting in Accenture, our second trim in the past four months, as the company returns to a normal growth trajectory after an extended stretch of robust results brought about by the pandemic. In addition to growth normalizing, we see increased signs of slowing enterprise tech spending. We continue to believe Accenture is well positioned to grow in line with historical performance, meaning we see the business producing low-double digit total return growth from here.

Outlook

Ninety days performance is not something we wish to dwell on, particularly when our approach does not change from one year to the next. We believe the Portfolio, now trading at slightly more than 20x forward P/E, is compellingly valued as it continues to be geared for weighted-average growth at above market rates.

We believe the Portfolio is well stocked with competitively advantaged businesses.

Our optimism about the Portfolio over the coming five years stems from our view of each companies' strengths and growth potential. As ever, we remain confident in the philosophy driving our approach to growth investing.

Thank you for your interest in Polen Capital and the International Growth strategy. Please feel free to contact us with any questions.

Sincerely,

Todd Morris and Daniel Fields

Experience in High Quality Growth Investing

Todd Morris
Portfolio Manager & Analyst
13 years of experience

Daniel Fields, CFA
Portfolio Manager & Analyst
17 years of experience

Definitions: Price-to-earnings ratio. The price-to-earnings (P/E) ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings.

GIPS Report

Polen Capital Management
International Growth Composite—GIPS Composite Report

		UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation	
Year End	Total ($Millions)	Assets ($Millions)	Assets ($Millions)	U.S. Dollars ($Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	MSCI ACWI ex USA (%)	Composite Dispersion (%)	Polen Gross (%)	MSCI ACWI ex USA (%)
2022	55,011	18,053	36,959	255.66	4	-29.16	-30.00	-16.00	0.0	19.19	19.26
2021	82,789	28,884	53,905	60.41	2	7.10	6.67	7.82	N/A	14.67	16.79
2020	59,161	20,662	38,499	54.63	2	12.75	12.02	10.66	N/A	14.55	17.94
2019	34,784	12,681	22,104	0.41	1	27.88	26.81	21.50	N/A	10.92	11.34
2018	20,591	7,862	12,729	0.32	1	-4.60	-5.41	-14.19	N/A	N/A	N/A
2017	17,422	6,957	10,466	0.34	1	35.06	33.94	27.19	N/A	N/A	N/A

Performance % as of 12-31-2022:
(Annualized returns are presented for periods greater than one year)

	1 Yr	5 Yr	10 Yr	Inception
Polen International Growth (Gross)	-29.16	0.86	-	5.89
Polen International Growth (Net)	-30.00	0.06	-	5.05
MSCI ACWI (ex-USA)	-16.00	0.88	-	4.85

[1]A 3 Year Standard Deviation is not available for 2017 and 2018 due to 36 monthly returns are not available. 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 International Growth Composite created and incepted on January 1, 2017 contains fully discretionary international growth accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI (ex-USA). Effective January 2022, fully discretionary large cap equity accounts managed as part of our International Growth strategy that adhere to the rules and regulations applicable to registered investment companies subject to the U.S. Investment Company Act of 1940 and the Polen International Growth Collective Investment Trust were included into the International 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 June 30, 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 invests exclusively in equity portfolios consisting of high-quality companies but also has a subsidiary, Polen Capital Credit, LLC, that specializes in high yield securities and special situations investing. 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. 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. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management 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 85 basis points (0.85%) on the first $50 Million and 65 basis points (0.65%) on all assets above $50 Million of assets under management. HNW: Per annum fees for managing accounts are 160 basis points (1.60%) of the first $500,000 of assets under management and 110 basis points (1.10%) 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 International Growth Fund, which is included in the International Growth Composite, is 85 basis points (.85%). The total annual fund operating expenses are up to 135 basis points (1.35%). As of 4/30/2022, the mutual fund expense ratio goes up to 1.29%. This figure may vary from year to year. The per annum all-in fee* schedule for managing the Polen International Growth Collective Investment Trust, which is included in the International Growth Composite, goes up to 70 basis points (.70%). *The all-in fee (which is similar to a total expense ratio) includes all administrative and operational expenses of the fund as well as the Polen Capital management fee.

Past performance does not guarantee future results and future accuracy and profitable results cannot be guaranteed. Performance figures are presented gross and net of management fees and have been calculated after the deduction of all transaction costs and commissions. Portfolio returns are net of all foreign non-reclaimable withholding taxes. Reclaimable withholding taxes are reflected as income if and when received. 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 MSCI ACWI ex USA Index is a market capitalization weighted equity index that measures the performance of large and mid-cap segments across developed and emerging market countries (excluding the U.S). The index is maintained by Morgan Stanley Capital International.

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