Polen U.S. SMID Company Growth

Portfolio Manager Commentary – March 2023

Summary

- In the first quarter, Polen U.S. SMID Company Growth Composite Portfolio (the "Portfolio") returned 11.81% gross and 11.49% net of fees, respectively, compared to the 6.54% return of the Russell 2500 Growth Index (the "Index").

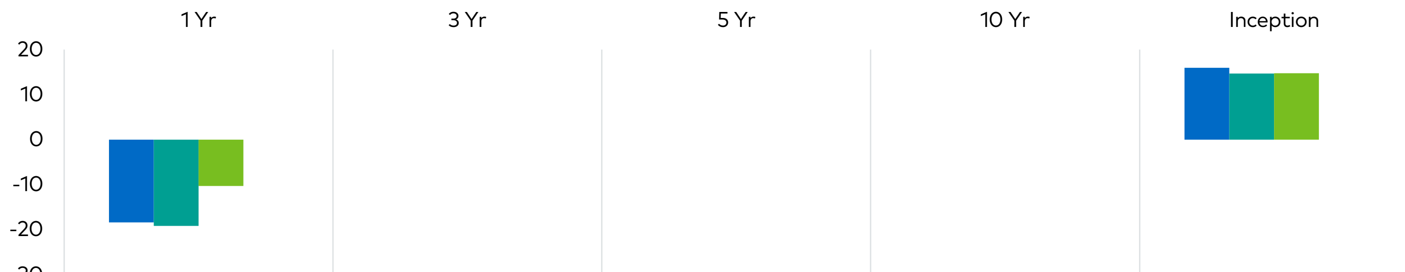
- The start to 2023 has proven no less volatile than the unprecedented, macro-driven environment we experienced in 2022. Markets initially embraced the growing possibility of a soft landing before stronger-than-expected economic data prompted concerns the Fed would continue to raise rates. Then, the collapse of Silicon Valley Bank and ensuing concerns over potential contagion introduced a new reality for the markets to contend with.

- The top contributors to the Portfolio's relative performance in the first quarter included Goosehead Insurance, Duck Creek Technologies and The Trade Desk. These were also the top contributors on an absolute basis. By contrast, the most significant detractors from the Portfolio's relative performance included Etsy, Warby Parker, and Endava. The top absolute detractors also included Warby Parker and Endava, but RH was a more material absolute detractor than Etsy.

- We initiated two new positions in high quality businesses, funded by two eliminated positions and some trims to existing holdings.

- While we can't predict when markets will recover, we believe that maintaining our focus on high-quality growth companies that are well positioned to drive cash flow and earnings growth over the next five years will generate superior long-term performance.

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



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Polen US SMID Company Growth (Gross)	11.81	11.81	-18.40	-	-	-	15.91
Polen US SMID Company Growth (Net)	11.49	11.49	-19.22	-	-	-	14.69
Russell 2500 Growth	6.54	6.54	-10.35	-	-	-	14.75

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.

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Commentary

On the back of an unprecedented, macro-driven environment in 2022, the start of 2023 has proven no less volatile. In the outlook section of our last quarterly letter, we highlighted our expectation that the near term would continue to be highly uncertain. We referenced how if interest rates stabilized, it might be because economic growth is contracting or that if growth does, in fact, persist, there may be further uncertainty over interest rates. By chance, we happened to see both scenarios play out in the first quarter, with the bear market rally in stocks cut short by higher interest rate expectations. Then, as cracks emerged in the banking system, it made for a higher probability of normalizing interest rates but with a worsening economic outlook. To this last point, in recent weeks, we've witnessed a banking crisis unfold the likes of which we haven't experienced since the Global Financial Crisis ("GFC").

Having invested through the GFC and other crises, underscores why we invest the way we do, owning the highest quality growth businesses in our asset class that are not reliant on external capital to grow due to strong balance sheets that are not as influenced by interest rates, and that have the strong leadership to invest at high returns on capital. These are the hallmarks of our flywheel investment criteria. Our discipline, driven by our framework, allows us to cut through the noise and confidently deploy capital for the long term.

It's times like these that bring into sharp focus why we avoid banks, energy, and biotech companies. Over the last year, some of these lower-quality industries were perceived as a safe place to "hide" for quality growth managers, given the relative outperformance. We believed this was short-term thinking and stuck to the key tenants of our disciplined process. Over time these industries have shown themselves to be highly vulnerable to demand destruction, and a tightening of credit availability and/or a recessionary environment would be particularly challenging for these companies.

When we invest in a business, we orient ourselves with a five-plus-year investment horizon, making an evaluation on the long-term durability and sustainability of earnings growth.

Our concentrated approach allows us to invest only in businesses meant to withstand changes in the funding environment, tighter credit, and economic downturns. This does not mean that our businesses or any business will be immune to economic disruption. However, it gives us greater confidence that the trajectory of earnings, cash flow, and value-creating reinvestment will be superior to the broader SMID cap opportunity set. This has always been central to our investment philosophy, and we are not willing to compromise on this.

This remains an excellent time to be investing in SMID cap companies for those of us that are long-term oriented, patient, and discerning.

Portfolio Performance & Attribution

During the first quarter, the U.S. SMID Company Growth Composite Portfolio (the "Portfolio") returned 11.81% gross and 11.49% net of fees, respectively, compared to the 6.54% return of the Russell 2500 Growth Index (the "Index").

The top contributors to the Portfolio's relative performance in the first quarter included **Goosehead Insurance, Duck Creek Technologies,** and **The Trade Desk**. The top contributors were the same on an absolute basis as well.

Goosehead Insurance, a personal line P&C insurance brokerage primarily focused on home and auto markets, has continued to deliver strong results despite weakness in the housing market. The company continues to show that they are among the best operators in a difficult macro environment, leaning into its value propositions around great customer service and a better agent experience and kicking off thoughtful, value-add strategic growth programs.

Duck Creek Technologies, a cloud-based provider of enterprise software for property and casualty (P&C) insurance companies, announced its intent to be acquired by a private equity firm at an acquisition price representing a 50% premium. The stock has since traded at close to the deal price, and we exited the position towards the end of the quarter.

Finally, **The Trade Desk**, a leading demand-side programmatic advertising platform, was another notable contributor during the month. The company had a resilient quarter despite a tough advertising environment. The company's continued success comes on the back of increasing penetration in the nascent connected TV ("CTV") market, which has been steadily taking share from linear television in recent years. We expect this secular tailwind to continue and dampen whatever short-term headwinds the digital advertising market might face in the coming quarters/years.

The most significant detractors from the Portfolio's relative performance in the quarter **included Etsy, Warby Parker,** and **Endava**. The top absolute detractors also included Warby Parker and **Endava**, but **RH** was a more material absolute detractor than Etsy.

Etsy, the online marketplace for handmade and vintage goods, experienced some weakness in the quarter over concerns that gross merchandise volume ("GMV") is slowing after a post-pandemic period that saw a step function increase in the number of active buyers and sellers. We view this as a temporary issue and believe the company is still in the early innings of this burgeoning personalized and creative goods market with several initiatives that should drive buyer growth and frequency of purchases.

Warby Parker is an omnichannel retailer of eyewear products with a unique vertically integrated, direct-to-consumer business model. In recent quarters, the company has been adversely affected by post-pandemic changes in consumer behavior, which we believe are temporary. While the company reported weaker-than-expected results, it definitively outperformed its peers and continues to gain market share while improving profitability.

Finally, **Endava**, an IT services consulting firm, has seen activity slow into the end of last year amidst a more cautious operating environment where discretionary IT spending is being paused. Longer-term, however, we have no questions around Endava's ability to play a critical role in facilitating digital transformation for their clients across a variety of industries and end markets.

Portfolio Activity

The activity this quarter included two new initiations and two complete sales, along with modest adds and trims to existing positions. The new additions to the portfolio included **Align Technology** and **Monolithic Power Systems.**

Align Technology is a global medical device company most known for its Invisalign clear aligners, having created the clear aligner category in 1999. Since that time, it has been a disruptor of the traditional use of wire and bracket braces to straighten teeth and treat malocclusions. While it is a leader in the clear aligner category with roughly 85-90% market share, the bigger competition is taking share from wire and brackets. On that measure, it only has a 10-15% share of the overall teeth straightening market. Over time, through innovation and vertical integration, the company has evolved to be able to treat over 90% of all cases. Further, it has done a great job of deepening relationships with orthodontists and general practitioner dentists over time. All in all, this is a business with a durable competitive advantage, operating in a large, growing, and attractive industry, led by a proven and long-term oriented management team, with a long runway ahead of it to grow and compound at solid rates.

Monolithic Power Systems is an analog and mixed-signal semiconductor company with a focus on integrating power management functions onto a single chip to reduce total energy consumption in its customers' systems. The business has a strong track record of steady organic revenue growth that goes counter to the inherent cyclicality in the semiconductor industry. Management has consistently found new applications for its power solutions and has capitalized on the tailwind of electrification that is occurring within the automotive and industrial sectors. We believe a combination of macro-related and cyclical uncertainty in the near term is presenting an opportunity to invest in this competitively advantaged compounder at an attractive valuation currently.

By contrast, the holdings we exited during the period included **Duck Creek Technologies and Olaplex**. Duck Creek was discussed in the above section on top and bottom contributors.

Olaplex is a highly profitable and uniquely positioned prestige beauty brand focused on science-based hair care. When we first invested in Olaplex in the fourth quarter of last year, it was on the back of the stock re-rating lower as revenue growth decelerated from rapid growth to a more sustainable growth rate.

We felt this re-rating represented a significant discount on the stock's long-term potential. In the short time since we became owners, a tail risk emerged related to a claim that the products cause hair loss and damage. At worst, this presents an existential threat to the business and, in the best-case scenario, makes everything that they are trying to do today a lot harder. No longer comfortable with the significantly widened range of potential outcomes, we eliminated the position as we have investment alternatives of equal or better reward today with meaningfully less risk. While it is unusual for us to exit positions so quickly, sometimes this is necessary. Not only is it important to be open to changing one's mind quickly as new risks emerge—it is essential to protecting and preserving our clients' capital.

Outlook

The current environment continues to be highly uncertain. SMID cap companies as an asset class are heavily discounted relative to history. Still, risks are also significant, whether it be inflation and the path of interest rates, credit availability, or the economy. Despite the uncertainty, we operate with clarity and conviction. We believe that owning great businesses with durable growth and high returns on capital with a significant runway for reinvestment at high returns and further buying those businesses at a discount to their long-term value creation potential will drive great returns for our clients.

This underscores why we stay focused on the long-term and why we stay focused on competitively advantaged, financially flexible businesses. We believe that always owning businesses with strong balance sheets and the ability to reinvest in any environment trumps short-term temptations to own lower quality businesses driven by interest rates, commodity prices, or leverage.

While the short-term view is heavily influenced by fear and uncertainty, the long-term picture is far clearer than the market would suggest (even at higher interest rates). By and large, our long-term view and conviction in our portfolio companies is unchanged. This allows us to confidently sift through the noise and take advantage of price dislocations.

Despite all the challenges, the opportunity set in SMID caps is attractive in terms of both valuation and the prospect of persistent growth.

High-quality SMID cap companies have greater latent potential for growth relative to more mature businesses. The best SMID cap growth companies can quickly reduce spending and inflect profitability if needed, given their high starting levels of investment.

> **We believe the best-of-the-best SMID cap companies will take advantage of adjacencies and have a better potential opportunity set for value-added acquisitions.**

Of course, many companies do not meet this high hurdle, which is why we hold a concentrated portfolio of companies that do not just offer growth and high returns, but also durability, robust financial models, the ability to self-fund growth, and what we believe to be 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 your view when the evidence requires it. 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. SMID Company Growth Portfolio. Please contact us with any questions.

Sincerely,

Rayna Lesser Hannaway, CFA & Troy Renauld, CFA

Experience in High Quality Growth Investing

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

Troy Renauld, CFA
Portfolio Manager & Analyst
9 years of experience

GIPS Report

Polen Capital Management
U.S. SMID 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 2500 Growth (%)	Composite Dispersion (%)	Polen Gross (%)	Russell 2500 Growth (%)
2022	55,011	18,053	36,959	22.57	10	-44.40	-44.95	-26.21	0.1	N/A	N/A
2021	82,789	28,884	53,905	4.95	7	22.03	20.64	5.05	0.0	N/A	N/A
2020[1]	59,161	20,662	38,499	0.51	1	105.23	103.70	82.91	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 US SMID Company Growth (Gross)	-44.40	-	-	12.78
Polen US SMID Company Growth (Net)	-44.95	-	-	11.60
Russell 2500 Growth	-26.21	-	-	13.53

[1]Performance represents partial period (April 1, 2020 through December 31, 2020), assets and accounts are as of December 31, 2020.
[2]A 3 Year Standard Deviation is not available for 2020, 2021 and 2022 due to 36 monthly returns are not available.
N/A - There are five or fewer accounts in the composite the entire year. Total assets and UMA assets are supplemental information to the GIPS Composite Report.
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. SMID Company Growth Composite created and incepted on April 1, 2020 contains fully discretionary small and mid-cap company equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against the Russell 2500 Growth Index. Effective January 2022, fully discretionary SMID company equity accounts managed as part of our U.S. SMID 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. SMID 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 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 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. SMID Company Growth Fund, which is included in the U.S. SMID Company Growth Composite, is 100 basis points (1.00%). The total annual fund operating expenses are up to 130 basis points (1.30%). As of 4/30/2022, the mutual fund expense ratio goes up to 1.30%. 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 Global Financial Crisis (GFC) was a severe worldwide economic crisis. The National Bureau of Economic Research dates the recession around this crisis from Dec-2007 through Jun-2009.

The Russell 2500® Growth Index is a market capitalization weighted index that measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes Russell 2500® companies with higher price-to-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

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