Polen U.S. Small Company Growth

Portfolio Manager Commentary – December 2022

Summary

- In the fourth quarter, the Polen U.S. Small Company Growth Composite Portfolio (the "Portfolio") returned 3.80% gross and 3.46% net of fees , respectively, compared to the 4.13% return of the Russell 2000 Growth Index (the "Index").

- Geopolitical uncertainty, persistently high inflation, rising rates, and concerns about slower global growth continued to be the main sources of volatility.

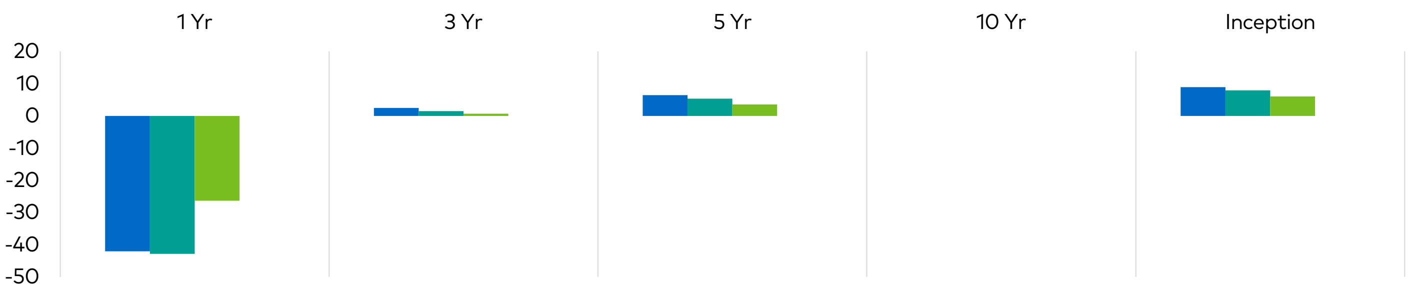
- The top absolute contributors to the Portfolio's performance over the fourth quarter included Yeti, Five Below, and Fox Factory Holdings. The most significant absolute detractors from performance included Qualys, Alarm.com, and Progyny.

- We initiated several new positions in quality businesses, funded by reducing our cash holdings and trimming a range of other holdings.

- We favor businesses with strong free cash flow, persistent growth, and high returns on capital, and we always seek to own undervalued businesses relative to their long-term compounding potential.

- 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 attractive long-term performance.

Seeks Growth & Capital Preservation (Performance (%) as of 12-31-2022)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
U.S. Small Company Growth (Gross)	3.80	-42.10	-42.10	2.43	6.38	-	8.95
U.S. Small Company Growth (Net)	3.46	-42.86	-42.86	1.41	5.35	-	7.89
Russell 2000 Growth	4.13	-26.36	-26.36	0.65	3.50	-	6.01

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

2022 represented a sharp departure from a market environment that has persisted for many years, going back to the Global Financial Crisis. After years of accommodative policies and low interest rates, reverberations from pandemic policies and supply chain disruptions—exacerbated by the onset of war in Ukraine—prompted the Fed to quickly adjust to a new market regime characterized by persistent and rising inflation. As a result, investors endured one of the fastest rate hike cycles of all time, with the Federal Funds Rate rising from 25bps in late March to 4.5% by the end of the year.

This interplay between inflation and rates was the primary focus of markets in 2022, and the impact was most acutely felt by longer duration (i.e., higher growth) assets as valuation multiples re-rated downwards. Further, as the year progressed, the market became increasingly fearful that the Fed's efforts to combat inflation would increase the likelihood of a recession. Amidst this backdrop, the Russell 2000 Growth index finished the year down -26.4%—its third worst year since the inception of Russell indices in 1979—with most of the weakness coming in tech, consumer discretionary, and healthcare (biotech/medical technology) stocks, while energy was the lone positive sector, +39%.

Given our quality growth orientation, absolute and relative returns for the U.S. Small Company Growth approach disappointed in this environment. By and large, our top detractors came in market segments where investors expressed the most concern around rising rates and the prospect of recession—namely, consumer discretionary and information technology. In these segments, it was not uncommon for high-growth, high-quality businesses with above-average P/Es to sell off more than 40% (if not well above that).

Within the Russell 2000 Growth alone, the technology sector saw its forward P/E multiple compress from 30x at the end of 2021 to 20x at the end of 2022 (-33%).

While we exited a few businesses that violated our Flywheel investment criteria—as we expect to happen from time to time—the fundamentals of the businesses we own remain strong.

This has held true even amidst persistent inflation, rapidly changing consumer demand, and slowing economic growth. In the most recent quarter, for instance, the Portfolio in aggregate delivered 21% year-over-year revenue growth and over +500bps of gross margin expansion vs. the end of 2021.

As investors turn their attention to the uncertain macro backdrop in the year ahead, it's important to underscore one of the key tenets of our Flywheel process: in good times and in bad, we only seek to invest in high-quality businesses with strong balance sheets that can self-fund growth. We believe this allows them to invest and grow during challenging economic and funding environments, positioning them to emerge stronger on the other side.

We favor businesses with strong free cash flow, persistent growth, and high returns on capital, and we always seek to own undervalued businesses relative to their long-term compounding potential.

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 exceptional long-term performance for the Portfolio, regardless of the volatility in the underlying economy and shorter-term rotations in the market.

While this has been a tumultuous year for the markets, we believe this creates an exceptional opportunity to invest in small-cap companies for those of us that are long-term oriented, patient, and discerning. Absolute and relative valuations for small caps are as attractive as we've seen in a very long time, sentiment remains weak, earnings estimates continue to be adjusted lower, and most market participants are engaging in very short-term behaviors that are leaving stocks mispriced and misunderstood. We believe the companies in our Portfolio have the potential to at least double in value over a five-year period, with many offering far more upside. We continue to uncover exciting opportunities amid this ongoing equity market dislocation.

Portfolio Performance & Attribution

In the fourth quarter, the Polen U.S. Small Company Growth Composite Portfolio (the "Portfolio") returned 3.80% gross and 3.46% net of fees, respectively, compared to the 4.13% return of the Russell 2000 Growth Index (the "Index").

While stock selection was a modest positive in the quarter, this was more than offset by style factor headwinds and relative sector positioning. Consistent with all of 2022, value outperformed growth by a wide margin in the quarter, posing a material headwind to relative performance. At the sector and industry level, the Portfolio's lack of exposure to energy and significant underweight to industrials had a negative impact on relative performance, partially offset by the positive effect of being underweight in healthcare. As it specifically relates to stock selection, positive performance in consumer discretionary, financials, and health care slightly overcame the negative selection effect in information technology.

The most significant detractors from the Portfolio's absolute performance in the fourth quarter included Qualys, Alarm.com, and Progyny.

Qualys is a provider of cloud-based cybersecurity software primarily focused on the vulnerability management segment. While the company has outperformed year to date, it experienced weakness after reporting earnings results and given investors' concerns over decelerating billings growth and lower-than-expected fourth-quarter guidance. While the market was disappointed, these results were in-line with our expectations, and we still believe Qualys's growth is impressive and presents an attractive long-term opportunity for investors.

Alarm.com, a cloud-based provider of remote control, home automation, and security monitoring services, shares were down on a weaker-than-expected initial outlook for FY23. Additionally, the company is going into arbitration with customer Vivint, which has stopped paying them licensing revenue, which is a roughly 3% headwind to the top line. While we continue to monitor these developments closely, this is a very stable business that has historically been able to grow through more challenging macro backdrops, given the stickiness of its core SaaS revenue.

Finally, **Progyny**, a leading provider of fertility benefits to self-insured companies, underperformed in the quarter despite reporting robust results due to concerns about the short-term outlook with elevated tech layoffs. We feel these concerns are overstated and fail to appreciate Progyny's nascent opportunity to penetrate a large and rapidly growing market with an advantaged, "patient-first" business model. Progyny's comprehensive fertility solutions are top of mind for employers looking to drive better diversity, equity, and inclusion efforts and to attract and retain talent.

The top contributors to the Portfolio's absolute performance in the fourth quarter included **Yeti, Five Below,** and **Fox Factory Holdings.**

Yeti, a leading maker of premium coolers and drinkware, delivered a solid earnings report, with top-line growing 20% YoY, headlined by robust demand in the coolers segment. Importantly, the company-maintained guidance, which was well received by investors who had feared that inventory pressures and supply chain issues—among other macro headwinds—would weigh on the stock into year-end. As a consumer discretionary company, Yeti will likely be impacted to some extent by macro challenges. Still, we remain confident in the brand's risk-reward tradeoff and long-term prospects.

Five Below, a leading discount retailer focused on teen and tween audiences, also reported better-than-expected results and raised full-year 2022 guidance above consensus expectations. These results, along with expectations for a successful holiday season, propelled the stock in the quarter. Zooming out, we are most excited about the company's strong store economics, the investments it makes to remodel its stores, the long runway for store growth, and its value orientation in a difficult economy.

Lastly, **Fox Factory Holdings**, a maker of high-performance shocks and suspensions for bikes and power vehicles, reported solid results, with concerns about de-stocking or greater cyclicality in their end markets not materializing in the third quarter. While the near-term range of outcomes is widening for Fox, the management team has shown great skill. The risk-reward tradeoff and negative sentiment positions Fox Factory shares attractively for the long term, even if the business is more volatile than expected near term. While we remain cautious, a "soft landing" is possible given the strength they are seeing in their Powered Vehicles segment, which has been driven by a longer-term and stable order cycle for vehicles with waitlists.

Portfolio Activity

Portfolio activity this quarter included four new investments, along with additions and trims to existing holdings. We did not exit any investments during the quarter. New additions to the Portfolio included **SiTime, Olaplex, RH, CCC Intelligent Solutions,** and **FirstService.**

SiTime makes silicon microelectromechanical systems ("MEMS") solutions that enable precision timing in various electronic devices. The company's products are increasingly important as new high-tech applications and emerging industries—5G, self-driving, data centers, wearables, and the military/space market—require a higher degree of precision in timing devices and materials vs. the historical standard, quartz. As the category creator with a dominant (85%+) market share, SiTime stands well positioned to benefit as they take share from the legacy quartz timing solution, and the addressable market for their solutions continues to grow.

Olaplex is a leader in the professional, luxury hair care and beauty products business. The company is a pioneer in science-based haircare, which is still in its early days compared to other parts of the luxury beauty market, like skincare. The company has built a dominant brand, delivering robust sales growth by leveraging salon relationships, word of mouth, and social media. We believe the business has a long runway of growth ahead driven by expanding distribution networks, deeper penetration amongst existing clients, and introducing new products. Olaplex is also a rare find among 2021 IPOs with strong profits, high free cash flow, impressive returns on capital, an experienced management team, and a long history as a private company and brand.

RH is a leading luxury retailer in home furnishings, including high-end luxury furniture, home décor, lighting, textiles, etc. We have a long history with RH as an existing holding in our U.S. SMID strategy, and we capitalized on the market volatility to add it to the Portfolio. The company's competitive advantage stems from the strength of its brand and its unique—and often misunderstood—business model, which has allowed RH to build a luxury empire at scale and with high returns on capital. We believe RH has a long runway to expand into other home furnishings categories, expand its footprint internationally, and launch new luxury categories. While the business faces near-term challenges, and the stock's valuation reflects this, we are confident in the company's long-term prospects and the long track record of CEO Gary Friedman.

CCC Intelligent Solutions is a provider of cloud-based software solutions to the property & casualty insurance industry with a focus on the automotive insurance ecosystem. The company created the Direct Repair Program (DRP) more than 30 years ago, a network connecting auto insurers with collision repair shops. CCC's large platform helps drive cost savings in the expensive and time-consuming processing workflow for insurance carriers while driving revenue growth for repair shops through lead generation, scheduling, parts availability/throughput, and quality of the repair. As a result of this scale, the company has benefitted from network effects. This, in turn, has contributed to strong customer retention (70% of revenue from customers with >10-year relationship) over time. We believe CCC is an attractive holding in part due to a uniquely narrower range of outcomes with a proven track record for durable growth.

FirstService is a Canadian company with operations mainly in the US. It operates two attractive businesses: 1) the largest US residential property manager and 2) owner/operator and master franchisor of a variety of leading home service brands, including Paul Davis Restoration (residential restoration services), First Onsite (commercial restoration services), CertaPro Painters, California Closets, and Century Fire Protection, among others. FirstService has a leadership position in each of its businesses, and it operates in highly fragmented markets, which we believe creates a long runway ahead for the company to continue its pace of mid-teens top-line growth with modest margin improvements over time. Further, the business model has shown less economic sensitivity historically, generating high recurring revenue and cash flow, which management has proven adept at thoughtfully deploying.

During the quarter, we also added to some of our existing holdings, including **Doximity, Euronet Worldwide,** and **Bumble.** We maintain our long-term conviction in the fundamentals of these businesses and used weakness in the period to lean into a very attractive long-term expected return and favorable risk/reward tradeoffs.

We trimmed our positions in **AMN Healthcare, Wingstop, Yeti,** and **Fox Factory.** In each case, we retain our long-term conviction in the growth opportunity around these high-quality companies. However, given relative outperformance vs. the broader universe, we used these trims to fund new positions and add to some existing holdings with higher returns and better risk-reward profiles.

Outlook

The near-term continues to be highly uncertain. If interest rates stabilize, it may mean that economic growth is contracting. If economic growth persists, there may be further uncertainty over interest rates. Small Cap Companies are heavily discounted, and the risk appetite may turn quickly or resume slowly. One thing we do know is that uncertainty drives volatility, and this volatility can create long-term opportunities for disciplined investors.

This underscores why we stay focused on the long term. 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 are unchanged. This allows us to confidently sift through the noise and take advantage of price dislocations.

This also highlights the benefit of owning Flywheel companies as we define them: long-term secular winners, still in the early innings of their growth, with durable business models and balance sheets built to keep them robust when others are weak. We believe time and patience are required for the fundamentals to play out. We cannot predict the short-term even though we believe significant bad news is priced in.

Despite all the challenges, the opportunity set in small caps is attractive regarding valuation and the prospect of persistent growth. High-quality small cap companies have greater potential for growth relative to more mature businesses. The best small 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 small cap companies will take advantage of adjacencies and have a better potential opportunity 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 offer not only 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.

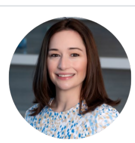
Thank you for your interest in Polen Capital and the U.S. Small Company Growth strategy. Please contact us with any questions.

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
26 years of experience



Whitney Young Crawford
Portfolio Manager, Director of Research & 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 2000 G (%)	Composite Dispersion (%)	Polen Gross (%)	Russell 2000 G (%)
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 12-31-2021:
(Annualized returns are presented for periods greater than one year)

	1 Yr	5 Yr	10 Yr	Inception
U.S. Small Company Growth (Gross)	18.67	-	-	24.24
U.S. Small Company Growth (Net)	17.69	-	-	23.13
Russell 2000 Growth	2.83	-	-	14.34

[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. 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, 2021. 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.
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. 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 4/30/2022, 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