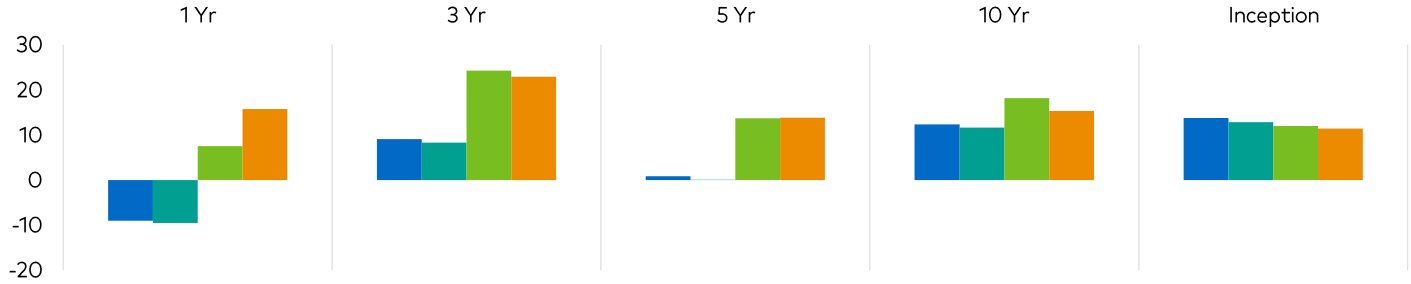
Polen Focus Growth

Summary

- Q3 2026 was a modestly positive quarter for U.S. equities following a sharp sell-off early in the period. The Russell 1000 Growth Index (the "Index") returned 0.92%, while the Polen Focus Growth Composite Portfolio (the "Portfolio") returned 4.46% net of fees, outperforming the Index by 3.54%.
- The central feature of the quarter was a material reversal in market leadership, as many direct AI-capex beneficiaries, including semiconductors, memory, and certain industrial businesses tied to data center construction and power infrastructure, cooled after significant strength earlier in the year.
- At the same time, software and services businesses, which had been under pressure from generative AI disruption fears, began to recover as investors appeared more willing to distinguish between companies that may be disrupted by AI and those where AI may enhance long-term growth.
- The Portfolio benefited from this change in sentiment, with top relative contributors including ServiceNow, Shopify, and Microsoft. By contrast, the largest relative detractors were NVIDIA, Apple (not owned), and Lam Research.
- During the quarter, we continued to focus on improving the Portfolio's balance by directing capital toward businesses where we see stronger current momentum, attractive long-term growth prospects, and more visible demand tailwinds.
- We remain encouraged by the quarter, but clear-eyed about the environment. We believe the Portfolio has improved balance today, with exposure to what we find to be both durable compounders and areas of strong business momentum, and we remain focused on applying our time-tested process with discipline, humility, and flexibility.

Seeks Growth & Capital Preservation (Composite Performance (%) as of 9-30-2026)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception^ (1-1-1989)
Polen Focus Growth (Gross)	4.61	-7.74	-9.00	9.05	0.82	12.31	13.74
Polen Focus Growth (Net)	4.46	-8.11	-9.51	8.27	0.08	11.63	12.80
Russell 1000 Growth	0.92	6.30	7.50	24.26	13.67	18.18	11.96
S&P 500	2.30	12.75	15.74	22.89	13.80	15.35	11.42

The performance data quoted represents **past performance and does not guarantee future results.** ^The performance presented prior to April 1, 1992, is not in compliance with the GIPS Standards. 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.

Commentary

Q3 2026 was a modestly positive one for US equities following a sharp sell-off early in the quarter, as the Russell 1000 Growth Index (the "Index") returned 0.92% for the quarter. The Polen Focus Growth Composite Portfolio (the "Portfolio") outperformed the Index, returning 4.46% (net of fees) for the quarter.

The central feature of the market performance this quarter was a material reversal in leadership, especially early in the quarter. In the first half of the year, the market sharply rewarded direct AI-capex beneficiaries, particularly semiconductors, memory, and certain industrial businesses tied to data center construction, power, and AI infrastructure. While during the third quarter, that trade cooled notably, with the semiconductor complex underperforming during the July and August market selloff while software and services businesses, which had been under significant pressure from generative AI disruption fears, began to recover.

In our view, this was less a change in the underlying fundamentals than a change in what the market was willing to recognize. For much of 2026 (and prior years), investors have treated the AI trade as almost binary in nature: direct infrastructure beneficiaries were deemed as winners, while many software and services businesses were presumed to be losers. In our opinion, that was always too simplistic. Many of the software, services, and information-based businesses we own continued to grow, continued to generate cash flow, and continued to demonstrate strong competitive positions even while their stocks were under pressure. During the third quarter, it finally felt like some of these negative narratives were overcome.

We think this is an important development. We have never believed that generative AI is uniformly negative for software, because while some businesses will clearly be disrupted, we also see many examples where AI can enhance these businesses rather than displace them. And, in our view, the third quarter offered at least some evidence that some investors may be beginning to make those distinctions.

At the same time, we do not dismiss the AI infrastructure opportunity as the growth across the broader ecosystem remains meaningful. Demand for compute, memory, storage, data center capacity, power, and grid infrastructure remains significant, and many of the companies enabling that buildout continue to report strong fundamentals. However, what changed in the quarter was how much investors were willing to pay for that growth. Valuations declined across parts of the semiconductor supply chain as investors focused more closely on how AI-related investment is being financed, the impact of elevated spending on major cloud providers' free cash flow, reliance on a relatively small number of large customers, and whether current supply constraints could ease over time.

We think that distinction is important, as underlying fundamentals continue to point to healthy demand across much of the AI ecosystem, even as stock prices in certain areas had risen significantly over a relatively short period. In those situations, even strong operating results can be met with declining valuations if investor expectations have moved too far ahead of fundamentals. Conversely, when expectations become overly pessimistic, solid execution can lead to meaningful rebounds.

In the third quarter, we saw a little more synchronization between what companies were reporting and how their stocks reacted—a welcome change from earlier in the year, when even strong quarterly results did not always translate into positive share-price reactions as investors seemed to focus more heavily on broader market narratives.

Portfolio Attribution

In Q3 2026, the Portfolio returned 4.46% (net of fees) compared to 0.92% for the Index. Top relative contributors to the Portfolio's performance included **ServiceNow**, **Shopify**, and **Microsoft**. By contrast, the largest relative detractors in the quarter were **NVIDIA**, **Apple** (not owned), and **Lam Research**.

ServiceNow was the Portfolio's top-performing holding during the quarter as improving sentiment toward high-quality software companies coincided with another strong earnings report. In a market that had spent much of the year questioning the durability of software business models in an AI world, ServiceNow delivered what we viewed as an excellent quarter, beating expectations across key metrics (and notably showing an acceleration in AI revenues) and raising full-year guidance. Importantly, the company continues to demonstrate broad-based strength across IT service management, IT operations, security, creator workflows, CRM, and industry workflows, while also showing that AI can be a revenue opportunity rather than a headwind.

NVIDIA was the Portfolio's largest relative detractor during the quarter, not because the stock declined, but because our approximately 7.5% position remained materially underweight its roughly 15% weight in the Index. NVIDIA's shares increased nearly 15% during the quarter, reinforcing our positive view of the business and its importance as one of the Portfolio's largest absolute holdings. The company once again delivered exceptional growth, with revenue more than doubling year-over-year, data center representing approximately 92% of revenue, and management indicating that the growth outlook remains supply constrained rather than demand constrained. NVIDIA's upcoming Vera Rubin product cycle may further expand the company's revenue opportunity, with the company reporting improvements in customer economics via higher throughput and lower token costs. We remain mindful of risks, including potential gross margin pressure from rising memory and component costs and extended customer payment terms, but continue to believe NVIDIA is one of the most competitively advantaged companies in the AI infrastructure ecosystem.

Portfolio Activity

In Q3 2026, we initiated new positions in **Adyen**, **ASML**, **Quanta Services**, and **Seagate Technology**, while selling **MSCI** and **Rollins**. We also added to our existing positions in **EMCOR Group** and **Meta Platforms**, while trimming **Eli Lilly**, **Shopify**, and **Starbucks**. The net goal of this activity was to improve the Portfolio's balance by redeploying capital toward businesses where we see stronger current momentum, attractive long-term growth prospects, and more visible demand tailwinds.

We initiated a new position in **Adyen**, a global payments platform that is evolving from a pure-play processor into a broader financial operating system for modern commerce.

We believe Adyen's single-stack technology, banking licenses, and deep enterprise relationships position the company well as commerce becomes increasingly complex across online, offline, cross-border transactions, as well as emerging payment activity initiated or managed by AI agents. Recent growth remains strong, and we see a meaningful opportunity to continue gaining share from more fragmented legacy payment providers.

We also initiated a new position in **ASML**, which we view as a uniquely advantaged provider of advanced lithography equipment used in leading-edge semiconductor manufacturing. ASML's position in extreme ultraviolet (EUV) lithography remains critical to the continued scaling of advanced logic and memory, while its service business provides a recurring component to revenues. Recent concerns around China exposure and domestic deep ultraviolet (DUV) development have contributed to share price volatility, but we believe ASML remains one of the most competitively advantaged businesses in the semiconductor supply chain.

Additionally, we acquired a new position in **Quanta Services**, North America's largest specialty infrastructure contractor, mostly focused on the electric power grid in North America. Quanta provides end-to-end services for electric utilities, renewables developers, hyperscalers, pipelines, and industrial customers. We view the company as a picks-and-shovels beneficiary of grid modernization, rising electricity demand, and the broader infrastructure buildout. Importantly, much of this work relates to essential infrastructure needs and multi-year projects, which can be constrained by permitting, supply chain, and skilled labor availability. We believe the company's capabilities and positioning should support growth over time.

Lastly, we also acquired a new position in **Seagate Technology**, one of only two major suppliers in the hard disk drive market. Demand for data storage continues to grow, driven by cloud, AI training data, video, telemetry, archival storage, and physical AI data. Hard disk drives remain an economically attractive solution compared to SSDs at datacenter-relevant capacities, while supply is constrained and major customers are entering into longer-term supply arrangements. We believe this creates an attractive combination of volume visibility, pricing power, and operating leverage, though we remain mindful of cyclical hyperscaler capex risk and potential pressure from NAND pricing.

During the quarter, we exited our position in **MSCI** to help fund the addition to Meta Platforms. We continue to like MSCI's business but as Meta is now beginning to monetize its non-core AI investments, we view the risk/reward opportunity of the latter to be more attractive.

We also sold our position in **Rollins**. Our original thesis was based on steady organic growth, accretive acquisitions, pricing power, and margin expansion. However, recent difficulty in new business generation and the CFO resignation increased our concern that the thesis may no longer be playing out as expected. Given better opportunities elsewhere, we decided to redeploy the capital.

In terms of existing positions, we added to **EMCOR Group** using proceeds from the Rollins sale. EMCOR continues to show strong business momentum, is growing meaningfully faster than Rollins, and trades at a similar valuation. In our view, this offered a more attractive use of capital.

As mentioned earlier, we added to our **Meta** position following the launch of Meta Muse, its personal AI agent. In our view, Muse gives Meta another potential avenue to monetize the company's heavy AI investments outside of its core advertising businesses. With more than 3 billion daily active users across Facebook, Instagram, and WhatsApp, we believe Meta has a powerful distribution advantage and the potential to create new revenue opportunities across subscriptions, transactions, and agentic consumer use cases.

At the same time, we trimmed **Eli Lilly** to right size the position to a more typical weight and help fund the purchase of Seagate Technology. Lilly continues to benefit on the back of its portfolio of incretin-based medicines, including GLP-1 therapies. We remain positive on the company's outlook and still hold a meaningful position in the Portfolio.

We also trimmed **Shopify** following strong share price performance and used the proceeds to help fund the purchase of Adyen. Like Eli Lilly, we remain positive on the outlook for Shopify and see agentic commerce as a likely tailwind. That said, personal agents like Meta's Muse, could encroach on the transaction revenue garnered by payments companies like Shopify in the long run by bringing transactions directly to online merchants. Now though, it appears to us that Shopify's offerings are more complementary than competitive.

Lastly, we trimmed our position in **Starbucks** to help fund the purchase of ASML. We are pleased with the turnaround Starbucks is executing with improving same-store sales trends and margins. That said, we believe the valuation is beginning to price in that turnaround.

Outlook

In recent quarters, it has felt as if capital has been running from one side of the boat to the other. Earlier this year, the boat tilted heavily toward semiconductors and AI infrastructure. In the third quarter, it shifted back toward software and services. As stewards of our client's capital, we do not want the Portfolio to be swung around violently by every thematic or sentiment driven rotation. Our goal is to own competitively advantaged businesses in their respective market while maintaining enough balance that the Portfolio can navigate through leadership rotations.

Importantly, that is the broader purpose of the changes we have made this year. We have added select exposure to semiconductor supply chain businesses, AI infrastructure enablers, commercial aerospace, and power-related companies where we believe industry structures are attractive and demand visibility has improved. Importantly, within these more cyclical areas, we have emphasized businesses that we believe hold leading competitive positions and may provide greater resilience across market and economic cycles. At the same time, we continue to own software, services, payments, internet, and information-based businesses where we believe long-term competitive advantages remain underappreciated. The third quarter may suggest that this improved balance is beginning to matter.

Additionally, the macro backdrop also remains worth watching, as interest rates moved higher during the quarter, inflation remains somewhat persistent, and energy prices have added pressure—reinforcing the need to remain disciplined on valuation. We continue to be careful about the prices we pay, particularly for businesses with more distant earnings power.

Overall, we are encouraged by the quarter, but we also remain clear-eyed. However, we believe the Portfolio has improved balance today amidst the broader market backdrop, with exposure to what we find to be both durable compounders and areas of strong business momentum, and we remain focused on applying our time-tested process with discipline, humility, and enough flexibility to help us avoid getting caught on the wrong side of the boat.

Thank you for your continued interest in the Polen Focus Growth strategy.

Sincerely,

Dan Davidowitz and Damon Ficklin

Experience in High-Quality Growth Investing



Dan Davidowitz, CFA
Portfolio Manager & Analyst
27 years of industry experience



Damon Ficklin
Head of Team, Portfolio Manager
24 years of industry experience

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Source: All data is sourced from Bloomberg unless otherwise noted. All company-specific information has been sourced from company financials as of the relevant period discussed.

The Russell 1000® Growth Index is a market capitalization weighted index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes Russell 1000® Index 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 S&P 500® Index is a market capitalization weighted index that measures 500 common equities that are generally representative of the U.S. stock market. The index is maintained by S&P Dow Jones Indices. The performance of an index does not reflect any transaction costs, management fees, or taxes. It is impossible to invest directly in an index. Past performance is not indicative of future results.

Definitions:

Contribution to relative return: a measure of a security's 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 (%)).