



April 8, 2013

1st Quarter 2013 Portfolio Commentary

During the first quarter of 2013, our Large Cap Growth Model Portfolio (the “Portfolio”) returned 6.34% versus 9.54% for the Russell 1000 Growth Index and 10.61% for the S&P 500 Index.

After a relatively quiet fourth quarter, we made several adjustments to the Portfolio during the first quarter of 2013. We added Gartner, Fastenal and Visa to the Portfolio and increased our positions in Nike and Allergan. Following the January 1st Abbott spinoff of Abbvie, the branded pharmaceutical segment of the business, we sold the newly issued Abbvie shares and brought our position in the “new” Abbott back up to 5.0%. We also eliminated Microsoft from the Portfolio and trimmed our positions in Apple and Intuitive Surgical during the quarter.

Gartner is a global leader in information technology (IT) research. The company has about 900 researchers with deep industry experience and domain knowledge who regularly publish their insights on all facets of IT. Gartner is multiples the size of its nearest competitors and its target market (organizations spending at least \$10m per year on IT) remains very underpenetrated. The price of a Gartner subscription is a very modest percentage of most organizations’ IT budgets and the insights garnered can produce an attractive return on that investment. We think this provides Gartner with a long runway of growth potential.

Fastenal competes in the highly fragmented industrial distribution market, selling a vast array of fasteners and other industrial products like safety equipment, cutting tools, electrical products and abrasives. We believe the business has a competitive advantage that is built on outstanding customer service which is supported by the breadth of its product offerings and its proximity to its customers. With about 2,500 stores, Fastenal can get most store-held products to customers within a few hours, and with its new vending initiatives, many of Fastenal’s products are literally sitting in their customers’ facilities ready for use. Vending allows customers to lower their inventory costs while Fastenal manages the stocking and replenishment. This is very difficult for small and regional competitors (and Amazon) to replicate, so we expect Fastenal to continue to gain share of this highly fragmented market.

We added Visa back to the Portfolio as well. We have held positions in both Visa and MasterCard in the past as we believe both are outstanding franchises that are benefiting from the secular trend of consumers around the globe switching from cash and check to electronic payments. We sold our position in Visa a few years ago due to concerns regarding the potential impacts of the regulatory changes being promoted through the Durbin amendment and have remained on the sidelines more recently given merchant litigation that was coming to a head. Now that both of these issues have been largely resolved with very little impact to Visa and no material change to the structure of the industry, we believe Visa will continue to deliver strong growth for years to come.

While Apple was the largest position in the Portfolio for the past few years, which served us well during that time, we trimmed the position to a 3.5% weight after fiscal 1Q13 results revealed a significant deceleration in iPhone growth. We still believe that the overall smart phone market is likely to double during the next five years, but it does not seem likely that the high-end of the market (where Apple competes exclusively) will continue to keep pace. Samsung saw a similar slowdown at the high-end, which suggests that that segment of the market is more saturated than previously thought. We continue to own Apple as we still believe it has decent growth prospects and it remains attractively valued, but given our more modest growth expectations it is not currently a large position for us.

We owned Microsoft as a special situation and we exited the position during the first quarter. The business was at the lower end of the growth spectrum for us, but we felt the depressed valuation left little downside and that the opportunity to repurpose its' dominant product portfolio to better participate in the explosive growth in smart phones and tablets offered upside potential. While our view on the limited downside has played out (we earned a positive return on our investment during the past couple of years), management has had limited success competing with Apple's iOS and Google's Android operating systems. We now see little reason to expect Microsoft's growth prospects to improve meaningfully and believe competitive risks are growing.

We are pleased to have added a few new companies that we think have strong and durable growth profiles, and we believe the Portfolio remains well positioned for the long-term.

The top three contributors (portfolio weight multiplied by return) for the first quarter of 2013 were Allergan (1.26%), T. Rowe Price (0.92%), and Nike (0.89%). The bottom three contributors were Apple (-1.26%), C.H. Robinson (-0.14%), and Oracle (-0.14%).

Thank you for your interest in Polen Capital and please feel free to contact us with any questions or comments.

Sincerely,

PCM Investment Team

GIPS Disclosure

Polen Capital Management Large Capitalization Equity Composite-Annual Disclosure Presentation

Year End	UMA			Firm		Composite Assets		Annual Performance Results				3 Year Standard Deviation**		
	Total	Assets	Assets	Assets	U.S. Dollars	Number of	Composite		S&P	Russell 1000	Composite	PCM	S&P	Russell 1000
	(millions)	(millions)	(millions)	(millions)	(millions)	Accounts	Gross	Net	500	Growth	Dispersion	Gross	500	Growth
2013*	5,052	1,050	4,002	1,812	391	6.34%	6.20%	10.61%	9.54%	0.1%	15.45	15.01	15.45	
2012	4,527	889	3,638	1,584	359	12.37%	11.70%	16.00%	15.26%	0.1%	15.77	15.66	15.09	
2011	2,374	563	1,812	596	185	9.17%	8.38%	2.11%	2.64%	0.2%	15.74	18.71	17.76	
2010	1,182	322	860	332	127	15.66%	14.73%	15.06%	16.71%	0.2%	19.88	21.85	22.11	
2009	624	131	493	235	127	39.73%	38.49%	26.46%	37.21%	0.3%	16.75	19.63	19.73	
2008	266	10	256	152	121	-27.84%	-28.44%	-37.00%	-38.44%	0.3%	15.05	15.08	16.40	
2007	682	-	682	504	152	10.73%	9.82%	5.49%	11.81%	0.2%	8.24	7.68	8.54	
2006	730	-	730	533	224	15.07%	14.12%	15.80%	9.07%	0.1%	7.17	6.82	8.31	
2005	1,849	-	1,849	986	430	-0.51%	-1.42%	4.91%	5.26%	0.2%	7.98	9.04	9.53	
2004	2,017	-	2,017	1,160	693	8.76%	7.78%	10.88%	6.30%	0.2%	9.95	14.86	15.45	
2003	1,617	-	1,617	969	570	17.72%	16.67%	28.68%	29.75%	0.6%	12.80	18.07	22.66	
2002	970	-	970	544	420	-6.69%	-7.54%	-22.06%	-27.88%	0.4%	12.96	18.55	25.22	
2001	703	-	703	417	305	-4.61%	-5.50%	-11.93%	-20.42%	0.6%	13.39	16.71	25.21	
2000	622	-	622	363	239	-3.50%	-4.45%	-9.10%	-22.42%	0.5%	16.29	17.42	22.79	
1999	640	-	640	385	233	23.89%	22.63%	21.04%	33.16%	0.6%	18.02	16.52	19.00	
1998	418	-	418	266	205	31.61%	30.20%	28.58%	38.71%	0.7%	17.70	16.01	17.90	
1997	252	-	252	147	160	37.14%	35.64%	33.36%	30.49%	0.9%	12.99	11.14	12.62	
1996	140	-	140	94	125	31.95%	30.43%	22.96%	23.12%	0.7%	10.46	9.58	10.34	
1995	70	-	70	46	63	48.08%	46.34%	37.58%	37.18%	1.1%	9.58	8.22	9.13	
1994	32	-	32	18	28	10.11%	8.94%	1.32%	2.62%	1.6%				
1993	24	-	24	16	27	13.07%	11.85%	10.08%	2.87%	2.9%				
1992	16	-	16	11	24									

*Performance represents partial period (January 1, 2013 through March 31, 2013), assets and accounts are as of 3/31/13. ** 2012 3 Year Standard Deviation is as of 3/31/13.

The Large Capitalization Equity Composite created on January 1, 2006 contains fully discretionary large cap equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against the S&P 500 and the Russell 1000 Growth indices. Polen Capital invests exclusively in a portfolio of high quality large cap and liquid companies.

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 by Ashland Partners & Company LLP for the periods April 1, 1992 through December 31, 2011.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Large Capitalization Equity Composite has been examined for the periods April 1, 1992 through December 31, 2011. The verification and performance examination reports are available upon request.

Polen Capital Management is an independent registered investment adviser. The firm maintains a complete list and description of composites, which 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. As of July 1, 2002, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash outflow of 10% or greater of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the first full month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results.

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 actual management fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The management fee schedule is as follows:

Institutional: Per annum fees for managing accounts are 75 basis points (.75%) on the first \$50 Million and 55 basis points (.55%) on all assets above \$50 Million of assets under management. HNWI: Per annum fees for managing accounts are 150 basis points (1.5%) of the first \$500,000 of assets under management and 100 basis points (1.0%) of amounts above \$500,000 of assets under management. Actual investment advisory fees incurred by clients may vary.