POLEN | CAPITAL
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July 18, 2016

Polen Global Growth
2nd Quarter 2016 Commentary

Summary

- *In the 2nd quarter of 2016, the Polen Global Growth Portfolio (the "Portfolio") returned -1.45% before fees, compared to 1.19% for the MSCI All-Country World Index (MSCI ACWI), a difference of -2.64%.*

- *Since inception on January 1st, 2015, our Portfolio has returned 5.57% before fees compared to -0.20 % for MSCI ACWI, a difference of 5.77%.*

- *We believe investment performance since inception reflects the higher-quality earnings of the businesses our Portfolio holds.*

- *The vote by Great Britain to leave the European Union did not have a material impact on our Portfolio last quarter.*

- *The cash positon was reduced during the quarter as we added to existing holdings.*

- *We anticipate another year of double-digit earnings per share growth for our Portfolio in 2016.*

Performance Commentary

In the second quarter of 2016, our Polen Global Growth Portfolio returned -1.45% before fees compared to 1.19% for the MSCI All-Country World Index, a difference of -2.64%.

On one hand, we are not satisfied if our Portfolio does not generate absolute returns over any performance period; on the other, the reality is that we select investments for the long-haul with expected holding periods of at least five years. We recognize that the goal of delivering strong absolute and relative performance over time means quarters of some under-performance along the way. To perform better than the market, our Portfolio is different from the market and can under-perform in certain environments. When it does, our priority is as always to maintain a consistent strategy. So it was last quarter.

There were two main performance headwinds. One was related to sector exposure. Over the last 27 years, Polen Capital has a successful history of not investing in financials, energy, materials, telecommunications or utilities companies. Our extremely low exposure in the financial sector made a slight contribution to performance last quarter. But our lack of exposure in energy, materials, telecoms and utilities, which make up about 20% of the global equity universe, was a performance headwind after each sector generated double-digit returns. We estimate this lack of exposure reduced Portfolio returns by approximately 2.5%. But we tend to avoid investments in these areas for a reason: as we review investment candidates in these sectors, we typically do not find the quality of earnings, balance sheet strength and sustainable growth we look for. Within the energy and materials sectors, we typically run across business models that depend upon volatile commodity prices that management teams cannot control. In telecom and utilities, low rates of growth and regulatory burdens are sticking points for us. Companies in each of these sectors, but especially financials, are often characterized by hefty and leveraged balance sheets. Our low exposure may be a further source of under-performance in some quarters to come, but we believe our clients will ultimately benefit as we manage for preservation of capital and investment performance driven by higher-quality earnings.

Another performance headwind was related to individual holdings in the United States, including **NIKE, Inc., Abbott Laboratories** and **Alphabet Inc**. The holding in Abbott was in fact eliminated during the quarter, following a substantive change to the investment case, while NIKE and Alphabet remain among our largest holdings. NIKE reported a noisy and slower quarter, yet business performance for the fiscal year was once again robust, and we expect revenue growth to remain resilient, even as **adidas AG** becomes a stronger competitor than it has been in the United States. Futures orders, a leading indicator of sales growth for the NIKE brand, has continued to grow in the double digits. The business remains a higher-conviction and long-term holding.

Our experience with Alphabet (and its predecessor Google, Inc.) is that the stock price can pause from time to time reflecting shorter-term considerations. The pattern we have seen in the past is that the stock price may disconnect from the business outlook before pausing and then re-connecting later on as the strength of the franchise comes through in quarterly earnings reports.

Our conviction in our Portfolio really comes from the quality and earnings power of the businesses it holds. Trading activity and turnover remain low, and holdings have remained much the same since inception. As we come through the summer months, we have increasing visibility into this year's earnings growth, which we expect to be in the range of 12% - 14% in U.S. Dollars. This range is slightly below our longer-term, five-year expectation of approximately 14% mainly because of the drag of a strong dollar on earnings outside the United States. Meanwhile, estimates for the global equity universe suggest another flat or low single-digit growth year for earnings. But quality is just as important as quantity. Earnings growth within our Portfolio is being generated by leading companies in attractive industries, with unit and revenue growth accompanied by stable to improving margins and balance sheets with low, if any, levels of debt.

Overview of the Portfolio

Our Portfolio remains concentrated with investments in 29 businesses. Fifteen of these are based in the United States and fourteen in the rest of the world. Revenues provide a clearer picture of the underlying, economic exposure and, on this basis, our Portfolio has 42% exposure to the United States and 51% to the rest of the world (and a further 7% of assets are currently held in cash). Multi-national and multi-regional businesses remain the backbone of the holdings and amount to more than 75% of assets. These companies tend to have competitive advantages and revenues that span regions in a way that mitigates country and currency risk. There are currently no holdings listed in emerging markets.

Following the recent vote by the British public to leave the European Union, it is perhaps worth noting that the two holdings domiciled in the United Kingdom, **Reckitt Benckiser plc** and **ARM Holdings plc**, actually have relatively low levels of sensitivity to the UK economy. ARM designs application and other processors mainly for semiconductor companies based in Asia and the United States and has no revenues at all in the UK. Reckitt manufactures a range of everyday consumer health, personal care and cleaning products with sales in almost 200 countries. It generates 7% of revenues from its home market. Since the vote on June 23rd, we have seen the locally listed share prices for both companies appreciate by approximately 12% - 15% almost offsetting the decline in the pound sterling against the dollar and, at the time of writing, both share prices are almost unchanged in U.S. Dollars.

Performance Attribution

All top five contributors were based outside the United States last quarter, and these included both **Tencent Holdings Ltd**. and **AIA Group Limited** based in Hong Kong, as well as **Nestlé SA** based in Switzerland. The top five detractors included both NIKE and Alphabet, as described above, as well **Baidu Inc**. and Abbott Laboratories.

Changes to the Portfolio

The holding in Abbott was eliminated during the quarter. Our Portfolio had held Abbott since inception as a relatively steady healthcare business with revenues balanced across nutrition products, medical devices, diagnostic equipment and branded generic drugs. In our view, management had made astute decisions in recent years to re-focus the business away from pharmaceuticals in developed markets and towards structural growth from markets with lower levels of healthcare spending. Capital allocation appeared to be a strength of the management team. We also saw Abbott as a business with low policy risk compared to many healthcare peers, with roughly 50% of sales direct to consumer. These considerations made the decision by Abbott's board to pursue an acquisition of St. Jude Medical, Inc., a cardiovascular device company, all the more surprising. The acquisition seemed to represent a departure from a clearly articulated strategy; it was also a surprising allocation of a large amount of capital away from promising growth markets to a less attractive healthcare category, in our view. This strikes us as an about-face, in fact, because medical devices, a business both companies have struggled to grow in recent years, becomes the largest component of earnings for the combined entity. Although the businesses seem complimentary, with synergies to be realized, the acquisition shifts the mix of business the wrong way. Further, after repurchasing shares for a few years, Abbott has announced it will fund the acquisition with loans that will bring the prospective debt burden above the levels we are comfortable with. We decided to part company with a business where management now seems more focused on deal flow than managing for internal growth.

In other activity, we added to a number of existing holdings. The additions we made included both **Adobe Systems Incorporated** and **Essilor International SA.** Both holdings were introduced to our Portfolio earlier this year and have been increased to average weights.

Outlook

In order to preserve and grow clients' assets, our Portfolio continues to hold relatively few high-quality growth businesses with each holding selected for its ability to sustain earnings growth. We are reviewing a small number of new investment candidates and we may again add to existing holdings to further reduce cash. Looking into the remainder of 2016 and beyond, we anticipate double-digit compound earnings growth will be the main driver of investment returns.

Thank you for your investment in the Polen Global Growth Portfolio.

Sincerely,

Julian Pick, CFA

Historical Performance

Polen Global Growth Performance Update - June 30, 2016			
	Polen (Gross)	Polen (Net)	MSCI ACWI
2Q16	-1.45%	-1.66%	1.19%
YTD	-1.46%	-1.89%	1.58%
1 Year	3.38%	2.50%	-3.17%
Since Inception (1/1/15)	5.57%	4.67%	-0.20%

*Returns are trailing through 06/30/16. Annualized returns are presented for periods greater than 1 year.

Please reference the supplemental information to the composite performance which accompanies this commentary.

GIPS Disclosure

Polen Capital Management
Global Growth Composite-Annual Disclosure Presentation

		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		MSCI ACWI	Composite Dispersion	Polen Gross	MSCI ACWI
						Gross	Net				
2Q16	9,345	2,982	6,363	0.33	1	-1.45%	-1.66%	1.19%	0.0%	-	11.83
2015	7,451	2,125	5,326	0.33	1	10.07%	9.14%	-1.83%	0.0%	-	10.94

Total assets and UMA assets are supplemental information to the Annual Disclosure Presentation.
**2Q16 3 Year Standard Deviation is as of 06/30/16 for MSCI ACWI and 2015 3 Year Standard Deviation is as of 12/31/15 for MSCI ACWI. 3 Year Standard Deviation is not available for the composite due to the composite's January 1, 2015 creation date.*

GIPS Disclosure

The Global Growth Composite created on January 1, 2015 contains fully discretionary global growth accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI. Polen Capital invests exclusively in a portfolio of high quality 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, 2014. The verification is available upon request.

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. Verification does not ensure the accuracy of any specific composite presentation.

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. 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 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 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.

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. Polen Capital is a SEC registered investment advisor and its investment advisory fees are described in its Form ADV Part 2A. The advisory fees will reduce client's 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 Index is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International, and is comprised of stocks from both developed and emerging markets.

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 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%	1.1	1.21	1.33	1.46	1.61	1.71	1.95	2.14	2.36	2.59
9%	1.09	1.19	1.3	1.41	1.54	1.68	1.83	1.99	2.17	2.39
20%	1.2	1.44	1.73	2.07	2.49	2.99	3.58	4.3	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