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POLEN U.S. SMALL COMPANY GROWTH STRATEGY

Key Takeaways

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- During the third quarter of 2017, the Polen U.S. Small Company Growth Composite Portfolio (the "Portfolio") returned 8.43% gross of fees. The Russell 2000 Growth Index (the "Index") returned 6.22%.

- The average growth in earnings was 29% for the Portfolio companies, which outperformed our expected mid-teens annual earnings growth expectation.

- We continue to expect the Portfolio to have mid-teens earnings per share growth in 2017. This compares with an expected growth rate of 9% for the Russell 2000 Index, which is an acceleration from levels in 2016.

Performance Commentary

During the third quarter of 2017, the U.S. Small Company Growth Composite Portfolio (the "Portfolio") returned 8.43% gross of fees. This compares with a return of 6.22% for the Russell 2000 Growth Index (the "Index") in the same period. This is a continuation of a strong market, as the second quarter marks the sixth-straight quarter of positive returns for the Index. Growth outperformed value in the quarter and small cap outperformed large cap.

The positive absolute and relative returns in the Portfolio were driven by companies with solid returns due to strong earnings reports in the period. We continue to expect the Portfolio to have mid-teens earnings per share growth in 2017. This compares with an expected growth rate of 9% for the Russell 2000 Index, which is an acceleration from levels in 2016.
In terms of sectors, the Index was led by the health care, industrial, and materials sectors. Within the underlying industries, biotechnology was the big winner in the period. In industrials, capital goods and transports were the strong industries. The Portfolio had the best sector returns in technology due entirely to positive stock selection. The Portfolio showed outperformance in almost all sectors with the exception of financials. Even health care was an outperforming sector for the Portfolio despite our lack of biotechnology and pharma exposure.

On the back of strong biotechnology and pharma performance, companies in the Index with negative earnings outperformed companies with positive earnings in the quarter and high beta outperformed low beta. This is typically an unfavorable backdrop for the Portfolio, but we were pleased that strong earnings drove individual stock performance.

Portfolio Attribution

In normal markets, we would expect the growth in earnings to drive positive absolute and relative returns for the Portfolio. This past quarter, the average growth in earnings was 29% for the Portfolio companies, which outperformed our expected mid-teens annual earnings growth. There were five stocks that appreciated more than 20% in the quarter, exceeding the returns for the Portfolio and the overall market. In each case, the company reported strong earnings and exhibited strong fundamentals. **Trex Company, Inc.** was the strongest performer, up 33% in the quarter. The provider of wood-alternative decking and railings posted quarterly earnings that exceeded expectations due to stronger than expected margins in the period as well as an accretive acquisition. **Stamps.com Inc.** was next best, adding 31% in the quarter, which was its second-straight quarter of strong performance. The provider of Internet-based mailing and shipping solutions posted a much better than expected quarter driven by strong results from its mailing and shipping segment. It continues to benefit from the increase in e-commerce sales and the need for shipping solutions for vendors and retailers. **Advanced Energy Industries Inc.,** the manufacturer of power conversion products for manufacturing processes, was up 25% in the quarter.

The company reported earnings growth of 67% in the quarter on the back of better-than-expected revenue growth and margin expansion. **Fox Factory Holding Corp.** posted another strong gain (up 21%) in the quarter. The company designs and manufactures high performance ride dynamics products. It continues to report strong results from its powered vehicles segment, which is driving most of the incremental growth. Finally, **Cantel Medical Corp.** was up 21% in the period. The provider of infection prevention products reported a solid earnings report and continues to be on track to grow 15% plus in the coming years. The prospects for each of these companies continue to be very good.

The Portfolio didn't have any significant detractors, just a few stocks that underperformed for the quarter. **Pool Corp.** was the largest detractor to the Portfolio. The distributor of pool equipment and supplies reported good quarterly earnings but showed a small decline in gross margin in the period due to the mix of products it sold. This caused some concern, as has the perceived threat of Amazon on its pool supply business. We are not concerned by either of these issues and expect the company to continue on its path toward 18-20% EPS growth over the long term. **MarketAxxess Holdings Inc.** was next on the list of detractors. The company manages an electronic trading platform for trading corporate and high-yield bonds, and reported a strong quarter but had mixed monthly trading metrics intra-quarter. There is no change to the fundamentals and we continue to like the company's competitive position. **Wageworks Inc.** was also down in the quarter after reporting solid earnings.

We believe there could have been some disappointment with the company's guidance for slower organic growth in the second half of the year. After just meeting with management, we believe the company will continue to show strong organic growth and will supplement growth with strategic acquisitions. **Cardtronics plc** was a detractor again in the quarter. Cardtronics owns and operates automatic teller machines that are used by banking and retail brands to provide remote access to cash for their customers. The company reported earnings below expectations and revised its outlook down. Organic ATM revenue fell for the second quarter in a row. The worse than expected results sent the stock lower. We concluded the issues the company is facing are more secular in nature so we decided to exit the position. Lastly, **SPS Commerce Inc.** lagged in the quarter after the company reported decent earnings but saw revenue growth in the mid-teens, below its long-term growth target of 20% due to struggles at its retailer customers.

Portfolio Positioning

The Portfolio invests in high-quality companies in growth industries. The companies are competitively advantaged and we believe each is able to sustain above-average earnings growth for many years. Currently, all 29 holdings in the Portfolio are U.S. stocks that report positive earnings. We believe this high-quality bias affords the Portfolio downside protection while capturing appreciation from the strong earnings growth of the holdings. The Portfolio is invested mostly across the three main growth sectors: technology, health care, and consumer discretionary. These sectors make up 84% of the Portfolio and 63% of the Index weight.

Changes to the Portfolio

We made a few changes to the Portfolio in the quarter.

Purchases: We bought a new position in **Alarm.com Holdings Inc.,** which is the leading cloud-based platform for the connected home. Customers use the single intuitive user interface to secure their properties and automate a broad array of connected devices. The company sells products for interactive security, intelligent automation, video monitoring, and energy management solutions. The company has two segments. The subscription segment (70% of revenue) is the cloud-based solution for the connected home and related connected home solutions. The hardware segment (30% of revenue) sells video cameras, smart thermostats and video doorbells. Products are sold through its network of local dealers that will do the installation and on-going monitoring. Alarm.com is able to keep marketing expenses well below a typical Software-as-a-Service (SaaS) company because of its unique selling infrastructure through dealers. It provides national advertising and support but the dealers do the local advertising and offer incentives to get long-term contracts. There are more than 6,000 authorized service providers across the country that service Alarm.com. The primary way Alarm.com makes money is to sell a subscription to the end customer that they are charged on a monthly basis. In addition, it makes money by selling the hardware products at the time of installation. The opportunity for Alarm.com is quite large, and we see the growth remaining strong for the company and the category for some time.

In addition, we added to positions in two companies. We added to **Medidata Solutions Inc.,** which is a software company selling to the biotechnology vertical. We also added to **Fox Factory,** which was discussed in the Portfolio Attribution section. Both companies are seeing strong demand for their products and we believe they each have a long runway for growth.

Sales: We sold **Ultimate Software Group Inc.** out of the Portfolio in the quarter. This was due to market cap reasons. The Weston, FL-based company is a provider of human capital management SaaS for mid- to large-size enterprises. It has been a steady 20%-plus revenue and earnings grower for many years. It is in a part of the SaaS market that continues to gain market share from traditional payroll providers such as ADP and Paychex. Ultimate Software is strong on payroll, plus it has human capital management capability in its suite, making it a very attractive solution for large enterprises. There is a good chance it will continue to grow at this rate or close to it for a several years. We decided with the stock having done well and the market cap now nearly $7 billion, it was time to sell it. Selling it had the desired effect of bringing down the weighted average market cap of the Portfolio closer in-line with the small cap category average. We still like the business, in fact, we own one of Ultimate Software's competitors, **Paycom Software Inc.,** as well.

Also, we decided to sell Cardtronics to zero. As we have chronicled before, Cardtronics is a provider of ATM services around the globe. They own and operate an ATM network and will work as the outsourced partner for banks, retailers, and other businesses. The company has had a long history of growing revenue and earnings in the high-single- to low-double-digits range. The reason to own the company was that as more transactions move toward cards and electronic payments, Cardtronics would gain more share of the ATM infrastructure as banks will increasingly outsource cash services.

Cardtronics had a couple of poor quarters back-to-back. After last quarter, we were concerned about the decline in same-store transactions, as it collects a fee per transaction. This was the first time in a while where this was the case. The management team explained it believed it was due to a software upgrade being deployed across its network. We wanted to wait and see if these near-term issues resolved themselves. This past quarter showed another decline in same-store transactions. With the software upgrade issue largely behind it, this looks more like a trend, one that is very concerning. Our conclusion is there are issues causing this that will not reverse in the near term. Most notably, it appears foot traffic at retailers is hurting their same store growth. There are well-documented concerns about the issues at brick-and-mortar retail that are being caused by the continued growth in online retail. The company has been signing up new relationships for outsourcing ATM services. The negative impact of the drop in same store transactions is having the greater effect on the business, specifically on margins, which declined in the period. Earnings will decline this year and have a good chance to decline the following year if nothing else changes. This is no longer a near-term growth story. Taken all together, the issues that Cardtronics is having appear to be more secular than temporary.

Overview

The Portfolio is invested in a concentrated number of high-quality businesses with strong earnings and cash flow growth. Our view is investing in a concentrated portfolio is the best way to take advantage of the inefficiencies that are resident in the small cap space. We believe that the growth in earnings for the companies we own will be the driver of our performance going forward.

Thank you for your investment in the Portfolio. Please do not hesitate to reach out to us with your questions or comments.

Sincerely,

Tucker Walsh

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Historical Performance

Polen Small Company Growth (SMA) Composite as of 09-30-2017			
	Polen (Gross)	Polen (Net)	R2000G
Sep-17	5.56	5.56	5.45
3 Month	8.43	8.19	6.22
YTD	17.24	16.69	12.18
Since Inception (3/9/17)	17.24	16.69	13.04

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

GIPS Disclosure

Polen Capital Management
U.S. Small Company 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		Russell 2000 Growth	Composite Dispersion	Polen Gross	Russell 2000 Growth
						Gross	Net				
2Q17*	15,038	6,017	9,021	0.77	2	8.13%	7.85%	5.62%	N/A	-	16.07

Total assets and UMA assets are supplemental information to the Annual Disclosure Presentation.
**Performance represents partial period (March 9, 2017 through June 30, 2017); assets and accounts are as of 06/30/17.*
*** 2Q2017 3 Year Standard Deviation is trailing through 06/30/17 for Russell 2000 Growth. 3 Year Standard Deviation is not available for the composite due to the composite's 3/9/2017 creation date.*

GIPS Disclosure

The U.S. Small Company Growth Composite created on 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.

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 ACA Performance Services, LLC for the periods January 1, 2016 through June 30, 2016. A verification covering the periods from April 1, 1992 through December 31, 2015 was performed by Ashland Partners & Company LLP, which was acquired by ACA Performance Services, LLC, whose report expressed an unqualified opinion thereon.

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 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.

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 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 measures the performance of those Russell 2000 companies with higher price/book ratios and higher forecasted growth values.

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%	1.1	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