POLEN | CAPITAL

POLEN GLOBAL GROWTH STRATEGY

Key Insights

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- During the the first quarter of 2018, the Polen Global Growth Composite Portfolio (the "Portfolio") returned +3.24% gross versus -0.96% for the MSCI All-Country World Index (the "Index"), outperforming the benchmark by 420 basis points during the quarter.

- Since inception on January 1, 2015, the Portfolio has delivered an annualized investment return of 13.88% compared to 8.23% annualized return from the Index. Thus, the Portfolio has on average outperformed the Index by 565 basis points per year since inception.

- Global markets started the year off strong, but volatility spiked in February and remained elevated through the close of the quarter. While the uncertainties created by trade spats and evolving monetary policy around the world are likely to result in more volatility going forward, we take some solace in the fact that underlying earnings growth remains robust.

- It is difficult to precisely determine how much of the recent improvement in corporate earnings growth is due to lower U.S. tax rates given that the impact is so varied for different businesses, but broad-based earnings growth remained strong even without this benefit. Our Portfolio's earnings per share growth has been well above our long-term, mid-teens target recently.

- Our greater exposure to technology, consumer discretionary and healthcare, as well as our outperformance within each of those sectors, contributed the most to our positive returns during the first quarter. We also benefited from our lack of exposure to the more cyclical sectors—energy, materials, real estate and telecom—which all trailed the Index.

Investment Performance Commentary

During the first quarter of 2018, the Polen Global Growth Composite Portfolio (the "Portfolio") returned +3.24% gross versus -0.96% for the MSCI All-Country World Index (the "Index"), outperforming the benchmark by 420 basis points during the quarter. Since inception on January 1, 2015, the Portfolio has delivered an annualized investment return of 13.88% compared to 8.23% annualized return from the Index. Thus, the Portfolio has on average outperformed the Index by 565 basis points per year since inception.

Global markets started the year off strong, but volatility spiked in February and remained elevated through the close of the quarter. While the uncertainties created by trade spats and evolving monetary policy around the world is likely to result in more volatility going forward, we take some solace in the fact that underlying earnings growth remains robust. It is difficult to precisely determine how much of the recent earnings growth improvement is due to lower U.S. tax rates given that the impact is so varied for different businesses, but broad-based earnings growth remained strong even without this benefit. We are particularly pleased with the strength of our Portfolio, where earnings per share growth has been well above our long-term, mid-teens target recently.

From a geographic perspective, our significant outperformance in North America was the biggest contributor to our strong absolute and relative performance during the first quarter. Our relative exposure to North America is only marginally above the Index, but our specific holdings performed very well in aggregate. Our above-average exposure to China, which was one of the strongest performing geographies during the quarter, also contributed to our results as did our outperformance within China. Europe, where we also have significant exposure, underperformed the Index during the quarter, but was less of a drag for our Portfolio.

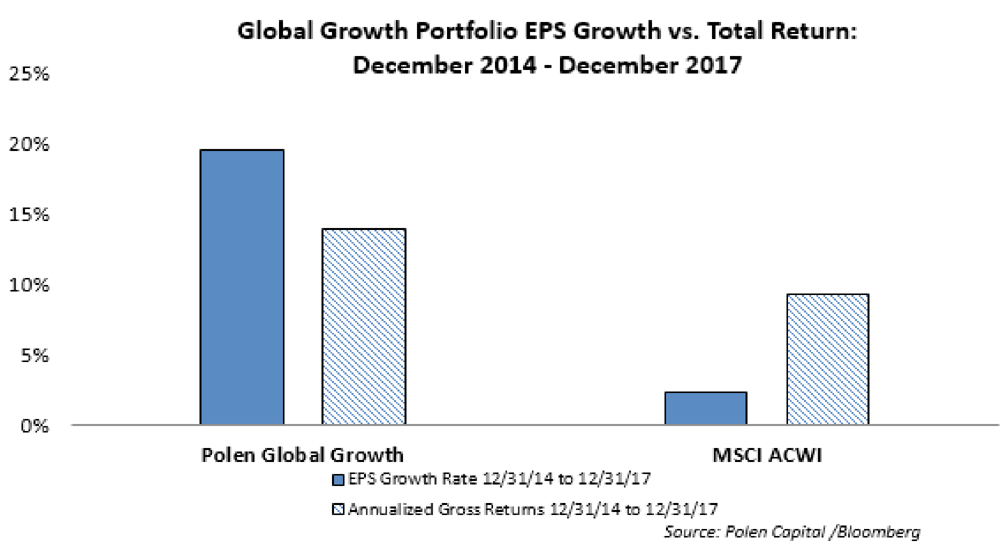
From a sector perspective, our greater exposure to technology, consumer discretionary and healthcare, as well as our outperformance within each of those sectors, contributed the most to our positive returns during the first quarter. With a concentrated portfolio, relative performance is always very dependent upon what we own. We also benefited this quarter from what we do not own. Our lack of exposure to the more cyclical sectors like energy, materials, real estate and telecom, which all underperformed during the quarter, helped as well.

We never know how it will play out and it's different every time, but our investment strategy has typically performed well during challenging periods. The market has been mostly up since the inception of the Global Growth strategy on January 1, 2015, but when the Index was down in 2015 the Portfolio was up more than 10% and we saw this positive divergence again as volatility spiked during the first quarter of 2018. The Portfolio's resilience is also reflected in a downside capture ratio of about 70% since inception, which ranks it in the top decile of our peer group in this important risk metric. The strong downside protection of our strategy is also reflected in the nearly 30-year track record of our flagship U.S. Focus Growth portfolio, where we have been applying the same philosophy and process for much longer.

To be clear, we don't expect the Portfolio to be up in down markets and wouldn't even bet on being down a lot less during all down periods. We do, however, expect that our Portfolio will continue to show resilience during challenging times because we own what we believe are the highest-quality businesses with sustainable earnings growth. The broader market usually sees a significant deterioration in earnings during recessions, driven largely by the more cyclical and commoditized businesses. With little to no exposure to that type of business, we expect our Portfolio to have greater earnings growth persistence. All equities are subject to meaningful price declines during periods of stress and fear, but we believe that strong and sustained earnings growth will ultimately provide us with better ballast. The chart shows the Portfolio's earnings growth versus the Index since inception.

Overview of the Portfolio

The Global Growth Portfolio is a high-conviction portfolio that is typically invested in 25 to 35 of the best businesses in the world. We only invest in businesses that we believe have sustainable competitive advantages and that can deliver above-average earnings and free cash flow growth over the long term. While we expect some of our holdings to compound faster and some slower, we aim for the Portfolio to generate mid-teens earnings per share growth in the long term. We take a long-term approach to investing and typically expect to hold our investments in companies for many years. Most of the companies that we invest in operate in several countries, and often benefit from natural or financial hedges that help to alleviate policy, country and currency risk. The Portfolio also tends to be concentrated in sectors such as technology, consumer and healthcare where we believe we find the highest-quality earnings and more sustainable growth. Companies in these sectors currently make up approximately 85% of our Portfolio. The geographic exposure of the Portfolio is based on where we find the highest quality. Fifteen of our holdings are currently based in the Unit-



ed States and 12 in various countries around the world. The revenue breakdown, which is the way we like to look at geographic exposure, reveals that roughly 40% of revenues come from the United States currently and 55% is from a range of countries. The other 5% is the residual cash holding. While we are unlikely to invest in companies domiciled in any frontier markets and expect to have limited direct investment in most emerging markets, we currently have nearly 30% emerging market exposure through the revenues that our multinational holdings derive from these markets. We believe this is often a more prudent way to gain such exposure.

Portfolio Performance & Activity

The Portfolio delivered strong results for the first quarter with earnings per share growth, which was up more than 25% during 2017, continuing to outperform our long-term, mid-teens target. The leading contributors to returns were **Adobe Systems Incorporated**, **Mastercard Incorporated**, **Booking Holdings** and **Align Technology, Inc**.

We have written about Align and Adobe several times now as both were leading contributors during 2017 and have been leading contributors since their purchases roughly two and three years ago, respectively. Despite being in different industries, both companies have a lot in common in that they enjoy high returns on invested capital, have underpenetrated addressable markets, and have what we believe is a long runway to deploy free cash flow into their respective markets at incrementally high returns on each dollar invested. Concerning Adobe, we believe that the world has, and will continue to, move in its direction. The combination of Adobe's digital media and digital marketing solutions has allowed it to become a mission critical partner to governments and enterprises as they undergo an essential digital transformation. During the past three years, Adobe's compounded annual growth rate in revenue has been over 20%, operating profit greater than 40% and earnings per share over 50%. Despite some multiple compression since our initial purchase, Adobe's stock has compounded at more than 40% annually during the past three years. We believe the business has only become stronger. Adobe has thoughtfully expanded its addressable market through tuck-in acquisitions that leverage existing digital assets and by strengthening its ability to address these markets through partnerships like the one it has with Microsoft, which is selling Adobe's digital marketing suite to its existing customers. During the most recent quarter, Adobe's revenue grew 24% and a significant increase in its operating margins drove earnings per share growth of 65%.

Align also performed well in the quarter. CEO Joe Hogan continues to demonstrate his willingness to make prudent investments to strengthen the company's moat and to expand the business. The market size of "case starts," meaning a person correcting his or her teeth either through traditional wires and brackets (braces) or an invisible aligner is approximately 10 million today. The American Association of Orthodontists estimates that this addressable population is growing 3-5% in the United States, and that developing and emerging markets are growing considerably faster. Despite having a superior offering, today Align has only 10% share of this growing market. We believe that Align's value proposition, ability to "mass customize" hundreds of aligners per day, and barriers to entry (from patent protection) at the middle- to high-end of the market position the business very well to take advantage of the growth opportunity ahead of it. During the quarter, Align grew revenue 38% and earnings per share by 60%. While we do expect growth to moderate for both Adobe and Align in the coming years, both companies have continued to exceed our expectations to date.

Mastercard and Booking Holdings were also leading contributors during the quarter. In the case of Booking Holdings, in addition to room night growth of 17% year over year, the company was able to leverage its performance advertising spending by the most significant amount since 2012. This was achieved in part by finding efficiencies with keywords on Google. Time will tell how sustainable this leverage is, but it made for a strong quarter and appeared to provide some relief to the steady pressure of rising ad spend. Mastercard also continues to deliver solid results with revenue and earnings per share up 15% and 21%, respectively, for the year. We have meaningful positions in both Visa and Mastercard and continue to believe that is warranted given the competitive advantages protecting this global duopoly.

Leading detractors for the first quarter were **Facebook, Inc.**, **Nestle S.A.** and **Reckitt Benckiser Group plc**. Facebook delivered strong results for the quarter, but that was overshadowed by its recent challenges. The company has been under increasing pressure recently, largely due to self-inflicted wounds around data privacy and security. Further, over the last few years it has become clear that Facebook's platform has been used by bad actors. There is no doubt that these issues around privacy and security and Facebook's failure to recognize and respond to these issues appropriately are a negative for the company. These issues were emerging as problems for the business even before the recent news of misuse of information from 87 million Facebook users by the firm Cambridge Analytica. That being said, we remain comfortable with our position in the company. Over two billion people visit Facebook at least once a month, and greater than 65% of these people visit Facebook every day, where they post billions of pieces of content. This has provided businesses, large and small, the ability to serve advertisements to an audience larger than the World Cup finals viewership every day. We will obviously continue to monitor the situation carefully, but when one combines the fact that social media has become a core means of communication and entertainment, that Facebook's network effects create high barriers to success leading to little real competition today, and that more than half of the roughly $600 billion global advertising market is still offline, we believe the company continues to have strong growth prospects.

Nestle and Reckitt Benckiser continue to navigate a challenging channel shift. The emergence of e-commerce giants like Amazon and Alibaba have made the formerly tried and true playbook of securing shelf space and the route to market combined with heavy spend on television and print advertising less competitively potent than in years (and decades) past. We view managing this change for Nestle as analogous to altering the direction of an ocean liner. The accelerated pruning of its product portfolio involves allocating more capital to faster growing segments like coffee and pet food, which also enjoy higher returns on capital, and also water, which is growing and has dominant market share in many regions around the world. It also involves disposing of slower-growing businesses. Wan Ling Martello, Nestle's Head of Asia, has joined the board of Alibaba, which in our view is a wise strategic move to accelerate the company's ability to operate through ecommerce. Ulf Mark Schneider took over as CEO on January 1, 2017. He has since made a lot of changes at the company, and we expect even more changes from him in the future.

Reckitt Benckiser faces the same structural headwinds but is addressing them in a more aggressive manner. 2017 saw the company enact major structural changes to its business. As a brief timeline review, in February it acquired Mead Johnson for $16.6 billion. Four months later, in June, Reckitt Benckiser sold its food business to McCormick for $4.2 billion, and then in October the business reorganized itself into two business units – Health (60% of total sales) and Hygiene Home (40% of sales). CEO Rakesh Kapoor demonstrated prudent acquisition principles in 2014 when it passed on Merck's consumer health unit and did so again this March when he passed on Pfizer's consumer health division. We appreciate Kapoor's willingness to move into faster growing areas that are more protected from e-commerce disruption, as well as his discipline. We believe the company has an exceptional culture and has, in our view, proven its operational prowess for decades.

Changes to the Portfolio

Portfolio turnover remains modest, but we made a handful of adjustment during the quarter. We sold our positions in **Celgene Corporation** and **Apple Inc.**, added to our position in **adidas** and initiated a new position in **Oracle Corporation**.

We sold our position in Celgene from the Portfolio because the company's pipeline had not borne as much fruit as expected and recent setbacks seemed to spur a more aggressive inorganic approach to business development. While Celgene produces a healthy stream of free cash flow to fund business development, acquiring well is difficult in even the most predictable of businesses. Early-stage biotechnology certainly does not fit that definition and Celgene has had a mixed business development record during the past few years. Moreover, its multiple myeloma drug Revlimid remains a very significant proportion of the company's profitability given its lack of progress in further diversifying the business and Revlimid has a finite life. With key patents expiring in 2023-2026, the need to acquire future grow opportunities was becoming more acute. While Celgene's pipeline and business development efforts may yet prove successful over time, we feel that the risk profile has deteriorated recently. We also feel that the margin for error was shrinking. When we initially invested in Celgene three years ago, at the launch of Global Growth, we felt that the strong growth and long remaining life of Revlimid provided Celgene with the unique opportunity to collaborate on novel drugs and to internally develop future products to maintain growth beyond Revlimid. And we thought that in the downside case that Revlimid maintained its strong trajectory, but the pipeline didn't bear much fruit that Celgene would basically maintain its value. Unfortunately, the downside case is what has played out. While we will continue to follow Celgene, as we do believe there are still interesting opportunities in its pipeline, we prefer to observe from the sidelines given recent developments.

Apple is one of the highest-quality companies in the world with one of the best brands and we have owned it since Global Growth's inception. With that said, we have been concerned that the smart phone market has reached a level of saturation that would hinder the company's ability to continue to drive iPhone unit growth and this past quarter only helped validate those concerns. Even though the company is at the beginning of the iPhone X & 8 launch, which under normal circumstances would represent a new growth cycle consisting of both price and volume increases, overall iPhone unit volumes declined this past quarter. While very strong price growth drove iPhone revenue growth, we do not feel that declining unit growth and increasing prices is a sustainable growth model longer term. While the company has many near-term positives in the form of cash repatriation and a lower tax rate, the fact remains that the iPhone comprises the overwhelming preponderance of Apple's profits, and that other line items like services and the Apple Watch are not large enough to counter a decline in the iPhone. Apple remains a great company, but it is no longer among our best ideas. We think that growth will be more challenging for the company going forward.

After a timely addition to our position, adidas was a leading contributor during the first quarter as well. As CEO Kasper Rorsted continues to back up words with actions through the divestiture of low growth & low return businesses (TaylorMade and CCM Hockey), the company's profitability continues to improve meaningfully. Adidas has achieved operating margins of nearly 10%, which is over 100 basis points of improvement over last year. This was not achieved by simply cutting costs, but rather by investing for growth. Since joining Adidas in 2016, Mr. Rorsted has increased capital expenditure by nearly 40%, driving revenue growth of 16% in 2017, to €21.2 billion. After we added to the position in January, the company acknowledged that their improvements should continue by raising its 2020 margin guidance from 11% to 11.5%. Adidas has always been one of the world's most recognizable brands, and continues to enjoy a global duopoly with NIKE, which we also own. With a strong operator focusing on growing the most profitable parts of the business and enhancing its digital capabilities to better drive customer experience, we expect Adidas to deliver strong growth for many years to come.

This quarter we also added Oracle to the portfolio. Polen Capital has a long history with Oracle, as our Focus Growth Portfolio (U.S. only) has owned it since 2005. We believe Oracle's business is through the economic trough, and thus at a positive inflection point in its evolution to the cloud. With cloud subscriptions at a roughly $6 billion run rate now, cloud margins are rising rapidly allowing overall operating margins to improve as well. Most of Oracle's software-as-a-service (SaaS) business to date has been predominantly new customer wins and they are just now starting to transition their large existing base of applications customers, which we expect will provide very favorable economics. Their platform-as-a-service (PaaS) business is still in the early investment phase, but we believe this transition will be much easier as existing customers can simply continue to use the same product, but in the cloud. We believe that this will be a multi-year transition that will be very positive for Oracle. The newly released fully autonomous database should also help provide the impetus for customers to move to the cloud. We expect Oracle to leverage its strength as the leading database company and one of the largest applications companies in the world to deliver solid earnings per share growth for many years to come.

Attribution

The top three contributors (Portfolio average weight multiplied by return) for the first quarter were Adobe (1.18%), Mastercard (0.62%) and Booking Holdings (0.52%).

The three largest detractors in the first quarter were Facebook (-0.38%), Nestle (-0.35%) and Reckitt Benckiser (-0.24%).

Conclusion

In summary, the Portfolio delivered solid positive returns during the first quarter despite increased market volatility and a decline in the Index. While we expect the Portfolio's earnings per share growth, which was up more than 25% during 2017, to trend back toward our long-term, mid-teens target over time, we believe solid and sustained growth will provide good ballast during the inevitable challenging periods of time.

Thank you for your interest in Polen Capital and for your investment in the Global Growth portfolio. Please feel free to contact us with any questions or comments.

Sincerely,
Damon Ficklin & Jeff Mueller

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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.

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

Historical Performance

Polen Global Growth Composite as of 03-31-2018			
	Polen (Gross)	**Polen (Net)**	**MSCI ACWI-ND**
Mar-18	-1.52	-1.52	-2.14
3 Month	3.24	2.93	-0.96
YTD	3.24	2.93	-0.96
1 Year	24.10	22.95	14.84
3 Year	13.99	13.00	8.12
Since Inception (1/1/15)	13.88	12.89	8.23

Source: Archer
Returns are trailing through: March 31, 2018
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	
					Composite					
Year End	Total (millions)	Assets (millions)	Assets (millions)	U.S. Dollars (millions)	Number of Accounts	Gross	Net	MSCI ACWI	Composite Dispersion	Polen Gross	MSCI ACWI
2017	17,422	6,954	10,468	4.16	2	32.66%	31.55%	23.96%	N/A	10.27	10.51
2016	11,158	4,648	6,510	0.33	1	1.21%	0.34%	7.86%	N/A	-	11.21
2015	7,451	2,125	5,326	0.33	1	10.07%	9.14%	-2.36%	N/A	-	10.94

Total assets and UMA assets are supplemental information to the Annual Disclosure Presentation.

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. Prior to October 18, 2016, the benchmark for the Global Growth Composite was the MSCI ACWI variant with gross dividends. As of October 18, 2016, the benchmark was changed to the MSCI ACWI variant with net dividends, to more accurately reflect the Global Growth Composite's strategy. Polen Capital invests exclusively in a portfolio of high-quality 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 ACA Performance Services, LLC for the periods January 1, 2016 through December 31, 2016. A verification covering the periods from April 1, 1992 through June 30, 2016 was performed by Ashland Partners & Company LLP, which was acquired by ACA Performance Services, LLC, whose report expressed an unqualified opinion thereon. 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. Effective January 1, 2018, accounts must be fully invested at the market open on the first business day of the month, in order to be included in that month's composite.

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 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 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 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