POLEN INTERNATIONAL GROWTH STRATEGY

Summary

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- During the first quarter of 2018, the Polen International Growth Composite Portfolio (the "Portfolio") returned -0.19% gross of fees. The MSCI All Country World Index (ex-U.S.A.)(the "Index") returned -1.18%.

- Since its January 2017 inception date, the Portfolio has returned an annualized 27.12%, gross of fees. In the same five quarter period, the Index has returned an annualized 20.07%.

- During the first quarter of 2018 our holdings in the healthcare sector and lack of exposure to the financials sector contributed most to Portfolio returns. Our holdings in the consumer staples sector were the largest detractor in the quarter.

Commentary

During the first quarter of 2018, the Polen International Growth Portfolio ("the Portfolio") returned -0.19% gross of fees. The MSCI All Country World Index (ex-U.S.A.) (the "Index") returned -1.18%. Volatility returned to equity markets in the quarter after a relatively quiet 2017. Market averages in London, Frankfurt, Paris, Tokyo and Shanghai all produced negative returns in the first quarter of 2018. Outperforming the Index for the period, though a preferred outcome for the Portfolio, doesn't feel great when the absolute performance is still negative.

A brief look back

The Portfolio is now five quarters old. It may be useful for readers to consider the backdrop for growth. In 2017, global GDP growth accelerated 3.7% year-over-year[1]. Stronger than expected growth in Asia and Europe supported the acceleration and we believe the uptick in growth may extend further. The IMF thinks global GDP growth could accelerate again in 2018 to 3.9%. Throughout 2017, the Portfolio's constituent companies grew their U.S.-dollar-based earnings by 25%, outstripping the Index's 21% growth in such earnings for the same period. Since President Trump's inauguration, a weaker U.S. dollar provided a tailwind to U.S.-dollar-based earnings growth. In the long run, we expect that the Portfolio's appreciation will roughly track the U.S.-dollar earnings growth of its constituent businesses.

A longer look forward

Volatility spiked in the first quarter as many global indices experienced negative performance. We are confident that the Portfolio is poised for stronger and more durable long-term growth than the Index. By owning a concentrated portfolio of well-capitalized, differentiated businesses with solid growth potential, we aim to look beyond short-term noise.

We highlight three potential sources of noise. First, politics seem to increasingly be a source of instability around the world. Furthermore, in the last six months a few broad themes have changed in and around the markets. These are trade policy and central bank accommodation. We observe these sources of noise and highlight them for your consideration.

[1] IMF estimate

Since World War II, globalization and multilateral policy provided a consistent backdrop to political and economic development. Recently, we're seeing an edge to politics that introduces uncertainty to that backdrop. Populist, nationalist actors enjoy growing political support in many countries and threaten the internationally cooperative paradigm of the last seventy years. This edge became apparent with the Brexit vote in June of 2016 and is increasingly visible the world over. Each election in Europe pits players pushing heightened nationalism versus those seeking further convergence within the European Union. Convergence would extend the policies of the post-financial crisis world, while at the margin nationalism could pose a threat to the existing continental (and global) order. American politics provide near daily fodder for tabloids around the world, but the United States' underlying pivot away from global cooperation is quite real. Interestingly, China provided one stabilizing change in the quarter with a consolidation of power around President Xi Jingping. Though liberal western observers chafe at this move, we do believe the Chinese government is incentivized to continue policies that engendered China's emergence.

Furthermore, after decades of cooperative globalization, the tenor of international trade has changed. As we write this letter, the Trump administration has embarked on promises to implement tariffs on imported goods. China, the primary target of these overtures, has responded in what has quickly evolved into a tit-for-tat tariff play. Stakes are potentially high. It's too early to tell where this goes. At this stage, all actions are open for negotiation and initial proposals could well be walked back.

The Hawley-Smoot Tariff Act comes to mind here. These ill-conceived protective measures were enacted by the United States in 1930 and quickly prompted a response from trading partners. In our view, nobody won. In fact, historians write that, once enacted, these tariffs reduced global trade to much lower levels and exacerbated a then nascent great depression.

We'll remind readers of our view, expressed in past commentaries, that the Chinese government has the long term very much in mind. While U.S. politicians bicker about issues they think can drive election outcomes in a two or four-year window, Xi Jinping is talking about how to position China for world leadership in the coming centuries. We don't know how much ground China will cede in trade negotiations with the United States. We'd hazard a guess that China will come out of this situation without giving much. China also appears willing to step into the breach created by the Trump administration's efforts to move the United States away from world leadership. In the end, we like the prospects for the Chinese businesses in our Portfolio and believe in their ability to deliver strong growth over the long term.

Another theme to consider involves central bank accommodation. The United States Federal Reserve (Fed) and the European Central Bank (ECB) are shifting their respective stances on balance sheet actions. These moves should be welcomed because they come in response to firmer economic growth, but we note they are a change to one aspect of the backdrop for equity investing since the global financial crisis. Since 2009, G20 central banks have amassed nearly $20T in assets on their books through quantitative easing measures. The process to normalize from these levels should take years. The Fed began shrinking its balance sheet in 2017 and in January, the ECB reduced the magnitude of its asset purchases – a step in the direction of normalization.

A further aspect of change in accommodation involves interest rates. Since 2009, global interest rates remained far below historical averages. Rate policy is beginning to normalize, with the United States hiking before other developed markets. Tight labor market conditions and consumer price inflation could prompt similar rate moves across the developed world. An upward bias in developed market central bank rate policy isn't reason to quake in fear, in our view, but it could prompt investors in lower-quality issues to think through their holdings. Companies with excessive borrowings, particularly those with floating rate debt, could be disadvantaged when compared to well-capitalized competitors. Easy money was a steady condition of the last nine years so as this dynamic changes, it could alter investor appetite for equities.

Political volatility, friction in trade and incrementally less accommodative central banks are all noteworthy changes to bear in mind. We mention these changes simply because they affect the investment landscape. We continue to favor the high-quality companies in our Portfolio for their potential to outperform the Index. On average, our holdings operate with stronger balance sheets and produce faster earnings growth than the Index's constituents. If a political shock, a disruption to the status quo on trade or less accommodative central banks should heighten risks in the marketplace, we believe the businesses in our Portfolio ought to hold up well.

Portfolio Performance & Activity

Leading contributors to performance for the quarter were **Dassault Systemes SA**, **adidas AG**, and **ICON Plc**.

Dassault Systemes is based in France and a global leader in sophisticated computer aided design (CAD) software. Dassault's unique software enables the design and manufacture of complicated systems. Nearly 70% of Dassault's sales are to companies designing and building aircraft, automobiles and industrial equipment. In recent quarters, sales of Dassault's low-end design software enjoyed rapid growth after U.S.-based competitor Autodesk forced its users off desktop software and onto internet or cloud enabled versions. Certain Autodesk users desiring locally based design software are leaving Autodesk in favor of Dassault. These Autodesk users come from different industries than Dassault's core customers – thereby broadening the reach of Dassault's products. We feel that Dassault is well run by a long-tenured management team, and that the company can grow its total return to shareholders at a mid-teens rate for the next three to five years.

German athletic footwear and apparel company adidas AG was a leading detractor in the prior quarter, but its shares rebounded in the first quarter to make it a leader for the portfolio. adidas continues to benefit from favorable fashion trends, recently exited poor performing golf and hockey equipment business lines and, importantly, is executing well on a multi-year cost rationalization plan. This plan links management incentives to achieving profitability hurdles and, if executed properly, we believe should narrow the significant profitability gap existing between adidas and its peer, NIKE. We're happy with the progress adidas is making in closing this gap. Guidance through 2020 implies operating profit margins can move from 9.8% to 11.5%. In the long run, we wouldn't be surprised to see adidas continue scaling its global operations. As operations continue to scale, profit growth should trend higher than the current margin guidance level. We believe adidas can grow its total returns to shareholders at a high-teens rate for the next few years.

ICON Plc is an Ireland-based provider of contract research organization (CRO) services. CROs provide outsourced services to the biopharmaceutical and medical device industries. The primary function of CROs is the design, enrollment and administration of clinical trials that prove the efficacy and safety of healthcare products. This cumbersome process is often administered in-house by drug companies, but real value can be realized by outsourcing to a provider like ICON. Given the high volume of trials it oversees, ICON can apply best practices to create efficiencies. The company largely grew from its founding to today on an organic basis, but there is reason to believe consolidation is coming. There are more than 600 CROs globally and we think ICON is the best operator in the industry. Acquiring niche operations around the CRO market or in geographies where ICON presently lacks density would make sense to us. We think ICON can grow total returns at a low-teens rate for the next three-to-five years.

The three bottom contributors for the quarter were **Sage Group plc**, **Reckitt Benckiser Group plc**, and **RELX NV**.

U.K.-based Sage Group was featured in last quarter's commentary as a top contributor but was a leading detractor in the first quarter. Sage Group sells software that helps small businesses optimally handle accounting, payroll and payments solutions. Over the last three years, Sage Group eliminated redundant operations and rolled out new cloud-based software solutions. A few acquisitions furthered these initiatives along the way. Recently, Sage Group began hiring new sales staff to drive faster growth. We are confident in the direction management is taking the company and feel that Sage Group is on the path to faster growth in sales and higher profit margins. We believe Sage Group can deliver low-double-digit total returns for the next three-to-five years. Recently, Sage Group began hiring new sales staff to help drive faster growth. New hires can take some time to begin contributing to company goals, but we are patient as we believe management has Sage Group on the path to faster growth in sales and higher profit margins in the coming years and thus expect that Sage Group can deliver low-double-digit total returns for the next three-to-five years.

U.K.-based Reckitt Benckiser makes health, hygiene and home care products such as Mucinex cold and cough medicines, Nurofen pain medicines and Durex condoms. Reckitt was a laggard in the quarter as it reported results for what was a difficult 2017. We're optimistic that Reckitt's management team can integrate the recently acquired Mead Johnson children's nutrition business. Reckitt has a history of sharp execution, disciplined product line or geographic extension, and sound cost management. These skills will be on display with Mead Johnson. Further, Reckitt's core business lines are realigning into two groups: Health and Hygiene/Home. Health will include the Mead Johnson nutrition business. Given Reckitt's history of operational efficiency, we expect the company to manage this transition period well. We believe Reckitt can deliver low-double-digit total returns growth.

RELX Group is an Anglo-Dutch information services and analytics business with operations serving research, legal, insurance and professional trade exhibition markets. Like other current and past Polen investments in information services, RELX is a durable business offering its customers tremendous value. RELX's offerings to the insurance and legal communities are often integrated into client work flows – a terrific attribute for an information services business. Researchers in the scientific, technical and medical fields are both contributors to and users of RELX's more than 2,500 peer-reviewed research publications. Legacy research in RELX's database and independent researchers' need for new work to be peer reviewed by the RELX network create powerful attachments to the company. Some users occasionally chafe at the importance RELX has in the research world, but at the end of the day RELX sells access to its valuable data at reasonable price points. We believe RELX can deliver total returns greater than ten percent for the next three-to-five years.

Activity

We sold **SGS SA** in the quarter and used the proceeds from the sale to add to our positions in **Medtronic Plc**, **Industria de Diseno Textil, S.A. (Inditex)**, and **adidas AG**.

SGS is a good business, and a global leader in the test, inspection and certification market. SGS's breadth of offerings touch numerous different end markets. Our concerns stem from the company's push to expand the services it offers clients. Services are a great way to add value for customers and can increase customer affinity for the provider, but they also require human capital. We question the company's recently reiterated goal to expand profit margins while also beefing up the services SGS offers. We are not suggesting higher margins are impossible. We simply say we'll watch the business from the sidelines.

The decision to add to our positions in Medtronic and Inditex, both of which we discussed at length last quarter, follows our liking of those two businesses and their respective valuations. We think both can grow earnings at a low-double-digit rate for the next three-to-five years. adidas, for reasons discussed earlier in this letter, is a great business that we believe recently hit its stride. We're confident in the prospects of these three companies for the long term.

Attribution

The top three contributors (Portfolio average weight multiplied by return) for the first quarter of 2018 were Dassault Systemes SA (1.10%), adidas AG (0.54%) and ICON Plc (0.32%).

The bottom three contributors were Sage Group plc (-0.75%), Reckitt Benckiser Group plc (-0.39%) and RELX NV (-0.39%).

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

Sincerely,

Todd Morris

Historical Performance

Polen International Growth Composite as of 03-31-2018			
	Polen (Gross)	**Polen (Net)**	**MSCI ACWI ex-USA**
Mar-18	0.01	0.01	-1.76
3 Month	-0.19	-0.40	-1.18
YTD	-0.19	-0.40	-1.18
1 Year	22.01	20.99	16.53
Since Inception (1/3/17)	27.12	26.06	20.07

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
International 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 (ex-USA)
						Gross	Net				
2017	17,422	6,954	10,468	0.3	1	35.06%	33.94%	27.19%	N/A	-	12.04

Total assets and UMA assets are supplemental information to the Annual Disclosure Presentation.
*A 3 Year Standard Deviation is not available for the composite due to the composite's January 3, 2017 creation date.

GIPS Disclosure

The International Growth Composite created on January 1, 2017 contains fully discretionary international growth accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI (ex-USA). 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 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. 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 (ex-USA) Index is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world (excluding the United States). The MSCI ACWI (ex-USA) 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