POLEN | CAPITAL

POLEN INTERNATIONAL SMALL COMPANY GROWTH STRATEGY

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Portfolio Manager & Analyst

Summary

- The Polen International Small Company Growth strategy launched January 2, 2019 with an objective aligned with our firm's mission: Preserve and grow client assets to protect their present and enable their future

- We will achieve the Portfolio's objectives through concentrated investments in high-quality small company growth businesses outside the United States.

- During the first quarter of 2019, the Polen International Small Company Growth Composite Portfolio (the "Portfolio") returned 16.25% gross of fees. The MSCI ACWI ex USA Small Cap Index (the "Index") returned 10.26%. The Portfolio outperformed the Index by 599 basis points during the quarter.

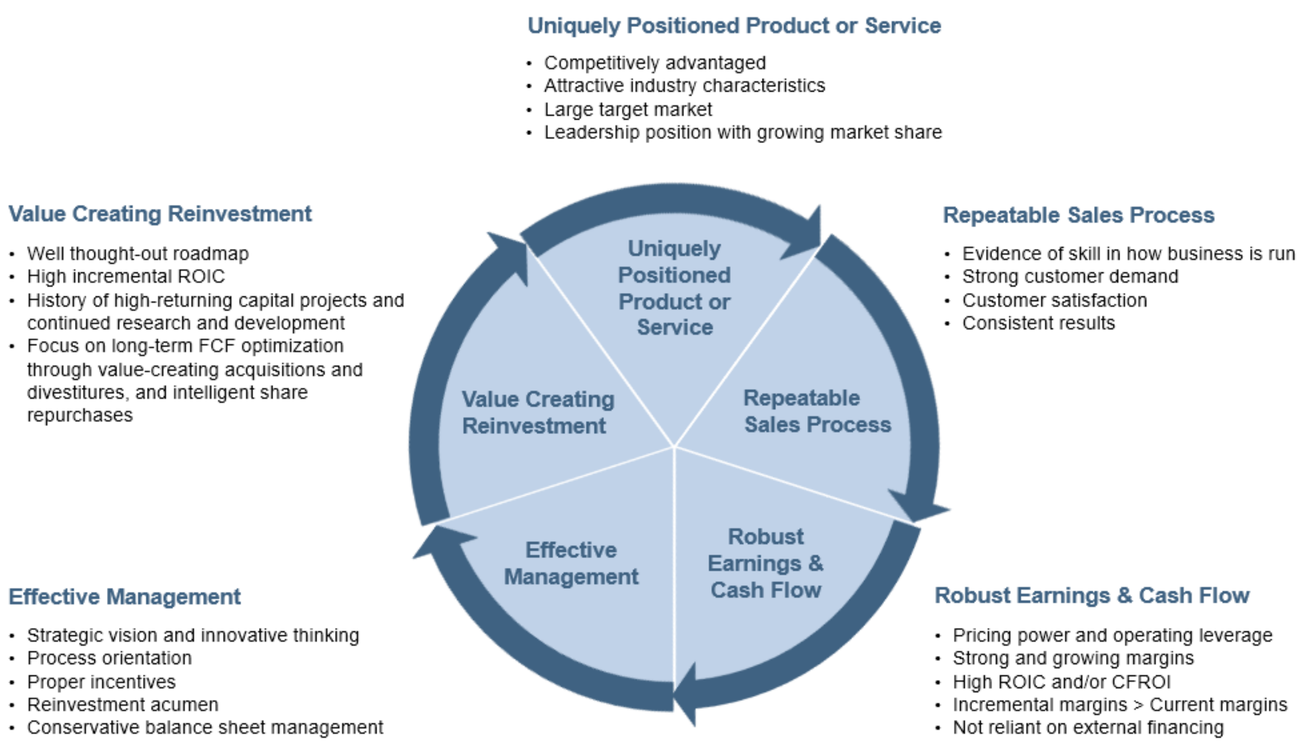
Portfolio Overview

This is the inaugural quarter for the Polen International Small Company Growth strategy. The investment philosophy of the International Small Company Growth strategy is consistent with all Polen Capital strategies. We invest in high-quality companies that we believe have a clear competitive advantage and the potential to compound their value at a mid-teen levels through an economic cycle. Like all Polen Capital strategies, the International Small Company Growth portfolio is concentrated. We currently hold 29 names, and over time, we expect the holdings range to be 25-35. We believe our 71st idea is never as good as the fifth. We act and think like owners. Our buy and sell process reflects this thinking, and as such we expect turnover to be low.

We believe the high-quality companies we own can compound their value over time. These companies must exhibit, to us, not just quality today, but durable quality for the long term to meet our five investment guardrails. The five investment guardrails exemplify our investment philosophy:

- Real organic growth
- Stable to increasing profit margins
- High and / or expanding returns (ROE & ROIC)
- Abundant free cash flow to reinvest in the business
- Strong balance sheet

The following graphic illustrates our definition of a great investment. We expect companies that produce strong cash flow and, most importantly, invest those cash flows wisely to get stronger with the passage of time.



Our portfolio compares favorably to the MSCI ACWI ex USA Small Cap Index (the "Index") when considering our five investment guardrails. We forecast, as of March 31, that the long-term revenue growth of the portfolio is between 10-15% with the vast majority stemming from organic growth. The operating margin of the portfolio is ~20% with expected expansion in the years to come. The ROE of the portfolio on an adjusted basis is ~22% versus ~9% for the Index. On cash flow, the companies owned in the Portfolio produce strong cash flow that allows them to spend on R&D, distribution, CAPEX, and thoughtful M&A. Consider that nearly 32% of companies in the Index have not even produced free cash flow in the trailing 12 months. The ISC portfolio has net debt to EBITDA of ~0x which compares to ~2.2x for the Index as of March 31, 2019.

We avoid cyclical companies or companies that appear to have a temporary competitive moat. In our view, the companies we own can double their value every 5-7 years and the power of compounding will deliver compelling returns to our investors. We anticipate the high-quality profile of these companies will provide downside protection in difficult market conditions given their resilient business models and low leverage.

Consistent with all Polen Capital strategies, the majority of our strategy's capital is deployed in sectors best characterized as "quality," such as technology (including communications), health care, and consumer. Currently, about 70% of the businesses we own are in either the technology (including communications) or health care sectors. The remaining 30% of our holdings are primarily in consumer or industrials. Within the industrials sector, we believe many of our holdings could be described as either technology or consumer oriented. The strategy does not own names in energy, utilities, materials, real estate or legacy telecommunications. Most importantly, we are unlikely to ever own businesses in these commodity-oriented sectors.

Supporting documents will exhibit country of domicile data, but we prefer to think about revenue by region to more accurately showcase where capital has been deployed. To this end, the portfolio has approximately 40% of revenues in Europe, ~35% in the Americas, ~20% in Asia, and ~5% in Africa & Middle East. While we have found four quality businesses in Japan, we are materially underweight this large economy, and for now, also underweight emerging markets.

It is important to underscore that we believe the underlying businesses we own now and going forward will drive long-term value for our clients. We do not have any rigid, preset criteria for specific industry or country allocations. We believe this behavior would detract from our ability to identify and own the best businesses in the international small-cap universe. We are only rigid about owning high-quality companies.

Commentary

Overall, stocks had their best quarter in nearly a decade. U.S. stocks outpaced international stocks but returns in nearly every geography were very strong in absolute terms. Major indices in European were up 6-18%, in the Americas up 5-18%, and in Asia up 6-38%. Asia had the largest dispersion with Korea and Japan up 6-7%, but China was the real outlier with very strong performance after a tough Q4 2018. Emerging markets underperformed developed markets by ~600 basis points.

From a geographic standpoint, all regions were additive to the Portfolio's first quarter returns. Western Europe and North America were particularly strong.

Consumer staples was the only sector to detract from performance—both of our holdings in the sector underperformed.

Foreign exchange was a modest tailwind during the quarter. The strategy's underweight to the Japanese Yen, and overweight the Euro, Canadian Dollar, and Swedish Krona aided performance. On the negative side, the Brazilian Real and Australian Dollar detracted from returns. Over time, we will consistently highlight the effect of foreign exchange on the portfolio's returns. As a reminder, the strategy does not hedge currency.

Our largest detractors in the quarter showed relative price weakness, mostly due to idiosyncratic factors. In a couple of cases, we took advantage of the price weakness by adding to the positions, which we discuss in the next section of this letter.

Portfolio Performance & Activity

As of March 31, the Portfolio held 29 high-quality companies. During the quarter, the leading contributors to the Portfolio were **Halma Plc**, **CompuGroup Medical SE**, and **CTS Eventim AG**.

Halma PLC was our strongest performer, up nearly 30% in the period. The firm make products to protect people, which include devices that detect hazardous gas, corrosion monitoring products, infrastructure and elevator safety and security solutions, medical products that assist with eye surgery and sensor technologies, and sensors for environmental use. Halma is the local leader across all of these segments and has strong market share in these niche areas, which allows the firm to command healthy price increases. Halma has historically re-invested these returns into R&D to make the enterprise stronger. It also has an exceptional track record in capital allocation with thoughtful M&A. Equally important, in our mind, is that the company's culture is strong, which became clear during a visit to their headquarters in Amersham, UK last year. The firm's decentralized approach allows for nimble decision making and a forward-thinking approach to its talent strategy.

CompuGroup Medical SE was up 27% in the period. CompuGroup Medical SE develops software for doctors. Retention rates are in the high 98-99% range depending on the product. This high visibility on cash flow allows the firm to re-invest in new geographies and to develop products in the future. As an example, the firm is developing video consultation solutions for doctors in key markets such as Germany and France.

CTS Eventim was up 24% in the period. The company has an overwhelming #1 market-share position for ticketing. This is most apparent in Germany, Italy, Switzerland, and Austria. It appears that live entertainment is in a long secular growth trend and that CTS Eventim is best positioned to benefit from it. Furthermore, the shift from offline to online has had dramatically positive impacts to the firm's EBITDA.

The three bottom contributors for the quarter were **M Dias Branco SA**, **Sanne Group PLC**, and **Douzone Bizon Co**.

M Dias Branco was down ~13% during the period. The stock was down ~9% and depreciation of the Brazilian Real detracted an additional ~4%, driven by commodity inflation and its impact on gross margins. Wheat and other key inputs rise and fall, and history has shown that M Dias Branco has strong brands with great distribution that can recoup commodity inflation over time. Said differently, we believe this performance was simply a timing issue. Our investment thesis is unchanged. The company constantly innovates, which allows it to enter adjacent categories where its core strengths have the potential for success. The firm supplements its strategy via thoughtful M&A.

Douzone Bizon Co was down 6% during the period. The company enterprise resource planning software packages for small- and medium- sized enterprises, and is a local leader in the South Korean market. Functionalities include accounting, tax, information security, electronic banking, and educational services. Approximately 90% of tax and accounting firms in South Korea use the firm's capabilities. The company is cross selling its new functionalities to their expansive list of nearly 130,000 clients a compelling opportunity. These innovations coupled with a shift to the cloud and the higher margins and retention rates that come with it gives us comfort that the runway for growth is promising.

Last, Sanne Group was down 4% during the period. Sanne Group provides fund administration and fiduciary services to private equity clients, corporates, and family offices. The business allows companies to outsource non-core functions. As the world gets increasingly complicated and regulated, we believe Sanne Group's services will be in higher demand. The addressable market is vast and the competition is fragmented. We view the change at the chief executive level as a continuation of its playbook given that the new CEO is an internal hire with a strong history at the company. We expect Sanne Group to continue to grow at a low- to mid-teens organic growth rate and supplement that growth with M&A. In addition, growth is strong, returns on capital are very high, and leverage is low. We think the company's prospects are bright.

We made a few changes to the Portfolio in the quarter. Turnover in the quarter was ~7% or a run-rate of 28% for the year. The majority of the turnover was due to a take-out of **Scout24 AG**. Excluding Scout24, our turnover is at a run-rate of ~8% for the year.

We started a new position in **Morneau Shepell Inc**. Morneau Shepell is a Canadian-based human resource consulting and technology provider that is classified as an industrial. The company's lines of business include Employee Support Solutions (~46% of sales), Administrative Solutions (~30%), Health & Benefit Consulting and Retirement Solutions (~15%), and Absence Management (~9%). The firm provides employees with resources (child care, college counseling, major life events, trauma, gambling, addiction, etc.) that it can execute with expertise and at a lower cost (pension administration and related activities). On the employer side, its services allow companies and governments to increase productivity, improve engagement, reduce costs, and manage risk. Geographically, Morneau Shepell generates roughly 76% of sales in Canada and 24% in the U.S., following its acquisition of LifeWorks. Its revenue model is part consulting (~15%) but primarily per employee per month (~85%). Over time, Morneau Shepell has effectively "mined" its customer base and sold incremental products at ~2% per annum. On the cost front, increasingly the company is providing more digital/chat versus face to face, realizing operating leverage. We believe the company has a uniquely positioned product and service, repeatable sales process, robust earnings and cash flow, and strong management with a history of value creating re-investment.

We added modestly to **Koh Young Technology Inc**, **Sanne Group PLC**, and **Kakaku.com Inc** during the quarter.

Koh Young Technology reported Q4 2018 results that underwhelmed relative to expectations. The company inherently has variability in any given quarter given the nature of its products, but over longer term periods the company has proven to serve a need in the market that is benefiting from secular growth. To strengthen the company, they increased R&D and unveiled exciting innovation in the medical field. Koh Young Technology is expanding its total addressable market and increasing its competitive moat.

As discussed in the performance section, Sanne Group underperformed during the quarter. We opportunistically added to what we feel is a strong franchise at a lower price.

Our initial research on Kakaku.com led us to the conclusion that the company was high quality and had a tremendous runway for growth. Upon further research, our excitement in its Tabelog asset in particular grew. This coupled with strong results from the firm's core business gave us the confidence to increase the size of our position. It was also beneficial to meet senior management at the firm's offices in Tokyo in mid-March.

In addition, we sold Scout24 in the quarter. The company received a take-out offer from a consortium of private equity. The outcome was disappointing to us. The premium paid was approximately 12% to the firm's near-term stock price and we believe its long-term prospects were promising. Said differently, in our view the takeout was the worst kind of turnover—a forced sale of a business that we believe in.

We trimmed Halma Plc modestly near the end of the quarter. Halma Plc became the largest market capitalization stock in the portfolio after appreciating ~30%. We used t to fund the purchase of Morneau Shepell, a company earlier in its life cycle where we thought the opportunity was more promising.

Team Update

With the launch of the product, we are excited to introduce the analysts on the team.

Whitney Crawford joined Polen Capital in April 2019 as a Research Analyst. Previously, she worked as a research analyst at Manulife Asset Management. Prior to Manulife, Whitney was an analyst at Fidelity Investments focused primarily on small cap research. Whitney brings a wealth of knowledge and skill in identifying high-quality companies that have a defined competitive advantage. She is a great fit culturally and philosophically, and we look forward to her contributions to the strategy.

Troy Renauld joined Polen Capital in late 2018 as a Research Analyst. Prior to Polen, Troy was an analyst at Bright Rock Capital. He has also been studying and teaching principles of investing in high-quality companies for several years. Troy also received his undergraduate degree in Civil Engineering, and this aspect of his background brings a unique perspective to our team. He too is a great cultural and philosophical fit and unsurprisingly, he has already contributed greatly in the early days of International Small Company Growth.

Thank you for your interest in Polen Capital and the International Small Company Growth strategy. Please feel free to contact us with any questions or comments.

Sincerely,

Rob Forker

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Historical Performance

International Small Company SMA Composite as of Mar-31-2019			
	Polen (Gross)	**Polen (Net)**	**ACWIxUS SC**
Mar-19	2.84	2.84	0.15
3 Month	16.25	15.97	10.26
YTD	16.25	15.97	10.26
Since Inception (1/2/19)	16.25	15.97	10.26

Footnotes

Returns are trailing through: Mar-31-2019

Annualized returns are presented for periods greater than 1 year.

Source: Archer

GIPS Disclosure

Polen Capital Management

International Small Company Growth Composite - Annual Disclosure Presentation

	UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation***	
Total** (millions)	Assets** (millions)	Assets** (millions)	U.S. Dollars (millions)	Number of Accounts	Composite		MSCI ACWI ex USA Small Cap	Composite Dispersion	Polen Gross	MSCI ACWI ex USA Small Cap
					Gross	Net				
25,338	9,620	15,718	1.16	1	2.84%	2.84%	0.15%	-	-	11.41

*Total assets and UMA assets are supplemental information to the Annual Disclosure Presentation. *Performance represents partial period (January 1, 2019 through March 31, 2019), assets and accounts are as of 03/31/19. **Total, UMA, and Firm Assets are preliminary figures and subject to further adjustment. *** 1Q2019 3 Year Standard Deviation is trailing through 03/31/19 for MSCI ACWI ex-USA Small Cap. 3 Year Standard Deviation is not available for the composite due to the composite's January 1, 2019 creation date.*

GIPS Disclosure

The International Small Company Growth Composite created on January 1, 2019 contains fully discretionary international small company equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI ex USA Small Cap. 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 June 30, 2018. 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 fees and include the reinvestment of all income. Net of fee performance was calculated using actual 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 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 Small Cap 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 Small Cap 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