POLEN | CAPITAL
1825 NW Corporate Blvd., Suite 300 • Boca Raton, FL 33431 • Tel:561-241-2425 • www.polencapital.com

January 12, 2015

4th Quarter and Full-Year 2014 Portfolio Commentary

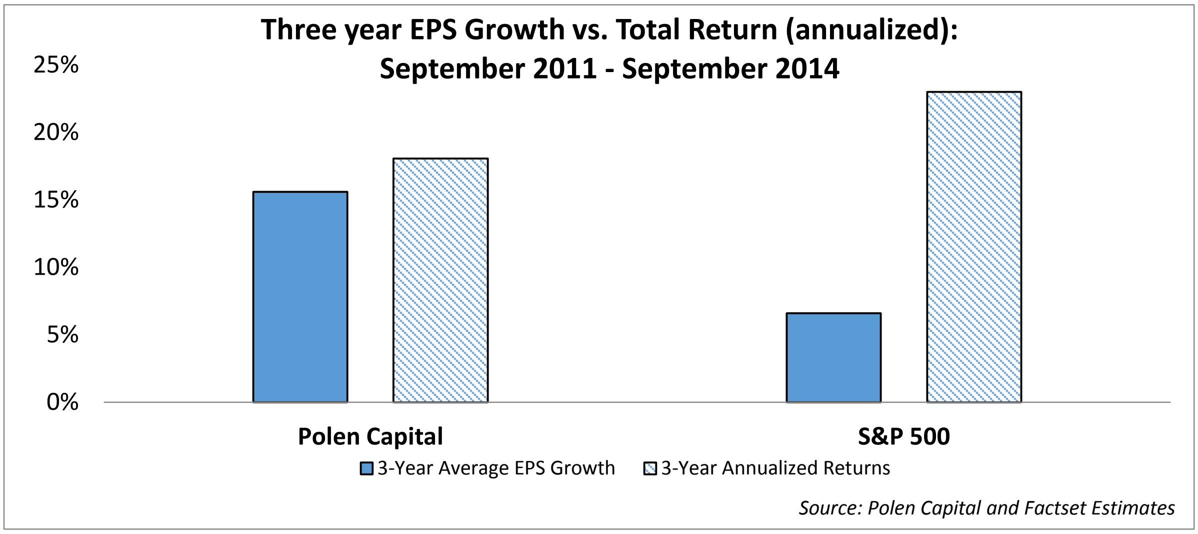
Summary

- *Overall earnings growth has improved during the last two quarters, which seems to be a change from the general trend of modest earnings growth and significant price-to-earnings multiple expansion seen in the market during the past several years.*
- *Fourth quarter analysis offers additional indication that leveraged companies may be seeing less favor as the Federal Reserve continues to move towards eventually raising the Fed Funds rate.*
- *The Polen Capital Large Cap Growth Composite Portfolio (the "Portfolio") appreciated 17.59% gross of fees in 2014, significantly outperforming both the S&P 500 and Russell 1000 Growth indices which were up 13.69% and 13.05%, respectively.*
- *Our Portfolio finished the year in a very strong fashion, rising 10.19% during the fourth quarter. This was roughly double the appreciation of each of the S&P 500 and Russell 1000 Growth indices which were up 4.93% and 4.78%, respectively.*
- *The Portfolio's strong fourth quarter performance, which drove our outperformance for the year, was very broad based: 13 of the 22 companies that we owned had share price gains of greater than 10%, with the shares of 9 of our holdings appreciating more than 15% during the quarter.*
- *Allergan was the leading contributor to our Portfolio during the year and a great example of how Polen Capital invests. Remaining focused on our independent research regarding Allergan's business fundamentals and maintaining a long-term perspective for more than six years made Allergan a big winner for our clients.*

Commentary

Calendar year 2014 was the sixth straight year of gains for both the S&P 500 and Russell 1000 Growth indices, which appreciated 13.69% and 13.05%, respectively, for the year. The Polen Capital Large Cap Growth Composite Portfolio (the "Portfolio") appreciated 17.59% gross of fees during the year, significantly outperforming both indices in a year when few actively managed portfolios managed to do so. The year concluded with strong fourth quarter returns with the S&P 500 and Russell 1000 Growth indices up 4.93% and 4.78%, respectively. Our Portfolio finished the year in a very strong fashion, appreciating 10.19% during the fourth quarter.

Overall earnings growth has improved during the last two quarters, which seems to be a change from the general trend of modest earnings growth and significant price-to-earnings multiple expansion seen in the market during the past several years. Our Portfolio continues to grow its underlying earnings at a mid-teens rate and, as can be seen in the chart below, has delivered considerably greater earnings per share growth than the S&P 500 during the trailing three years.



The fourth quarter was the second consecutive quarter that leverage (as a factor) was not a headwind to our Portfolio's performance. As noted in more detail in our **2014 Mid-Year Investment Perspectives**, leveraged companies have been consistently favored in the low interest rate environment during the past several years. This has been a relatively strong headwind for us given our strict focus on companies with strong balance sheets, so we are encouraged to see this headwind abating as the Federal Reserve continues to move towards eventually raising rates. Our fourth quarter and full-year relative performance also benefited from our lack of exposure to the energy sector, which experienced a significant pullback late in the year due to the sharp decline in oil prices.

<u>Portfolio Performance & Activity</u>

While Allergan was a significant contributor to the Portfolio's return during full-year 2014, the Portfolio's strong fourth quarter performance, which drove our outperformance for the year, was very broad based. During the fourth quarter, 13 of the 22 companies that we owned had share price gains of greater than 10%, with the shares of 9 of our holdings appreciating more than 15% during the quarter. This strong broad-based performance seemed to be due to the continued strong fundamental performance of many of our Portfolio holdings simply being recognized by the market.

As noted in our **2nd Quarter 2014 Portfolio Commentary** and **3rd Quarter 2014 Portfolio Commentary**, our consumer-oriented holdings had been a relative headwind to our performance early in the year. Strong ongoing business performance from Nike and TJX Companies finally led to strong share price performance for these companies in the third quarter and we saw a similar dynamic play out with Visa and MasterCard in the fourth quarter. While Visa's revenue growth was slightly below average early in the year due to some unexpected foreign exchange impacts on its cross-border business - and you could also find certain other small and temporary things to nitpick at for each of the aforementioned enterprises - it was largely business as usual for all of these companies with double-digit earnings growth throughout the year. As is frequently the case, the share price appreciation just came in lumps. The stocks had underperformed their respective businesses earlier in the year and were simply due for a catch up later in the year. This general theme played out across our consumer-oriented holdings and some other holdings as well (such as Oracle and Gartner) during the fourth quarter.

As long-term investors who only invest in what we deem to be the most competitively advantaged businesses, most of which are exceptionally consistent, we are often amused by the short-term disconnects between share prices and underlying fundamental business performance, but we have accepted this is a fact of life. Visa, which is one of our largest positions, provided a good example of this reality during 2014. While Visa was a meaningful detractor to performance through the first three quarters of the year, it ended up being a leading contributor to our overall fourth quarter and full-year returns. The shares were down 4% year-to-date through the third quarter and then rose 23% during the fourth quarter to finish the full year up 19%. The share price progression during the year was not expected, but the end result was in line with our expectations.

Nike, another one of our largest holdings, was also a leading contributor to our overall Portfolio returns for the full-year. Similar to our experience with Visa, all of the performance came during the second half of the year. While Nike shares were essentially flat through the first half of the year, the business was steadily grinding out strong growth. Earnings per share increased at a high-teens rate during the calendar year and was actually accelerating. Nike shares caught up with the underlying business performance during the second half of the year and finished the full year about 24% higher, which again was in line with our expectations given our view on the strength of the business. It doesn't always work out that the share price follows the underlying earnings per share growth within a given calendar year, but there is usually a fairly tight relationship between the two variables over longer periods of time.

Allergan was the leading contributor to the Portfolio during the fourth quarter and the full year. In essence, the strong performance of Allergan covered over most of the relative headwinds that we were experiencing early in the year, and as some of those headwinds have abated, the broad-based strength of the Portfolio has started to shine through. Allergan is also a great example of how Polen Capital invests and how our strategy generates excess returns over time.

As you know, we invest with a long-term, business-owner perspective. We initially acquired Allergan in late 2008 in the depths of the financial crisis for about $38 per share. This was less than 14x forward earnings estimates at the time, which we determined was a bargain for such a well-diversified drug and device business with leading market share in its target markets (primarily ophthalmic drugs and aesthetics). Allergan had compounded earnings at a high-teens rate during the previous decade, and we believed it was well positioned to do the same during the next decade, even if the financial crisis created a near-term headwind. Fully accepting that consumers would forgo some discretionary aesthetic procedures, we believed the potential in Allergan's late-stage pipeline was larger than the near-term headwinds and that the valuation already fully reflected the risk. Time proved us right and Allergan compounded earnings at about 21% annually since our original investment more than six years ago. Given that we initially purchased Allergan at a depressed valuation and it is now ascribed a more "fair" value, our investment return has compounded at about 33% annually, exceeding Allergan's underlying earnings growth. In absolute terms, Allergan appreciated almost 6x our initial investment, demonstrating the power of compounding at a high rate during a long period of time.

Allergan has been a solid investment all along the way, but it took six years for its full potential to be realized, and this only happened after a challenging 2013. If you recall, Allergan shares pulled back roughly 30% during the second quarter of 2013 as a couple of pipeline setbacks and a potential generic threat emerged for its on-the-market dry eye drug Restasis, shaking some investors' confidence in the company's growth prospects. We felt confident that the franchise remained strong and that Allergan could continue to deliver double-digit earnings per share growth in our most negative scenarios. We believed the business was reasonably valued on that basis and that a better outcome, which is what we expected and what actually played out, would yield significant upside.

In early 2014, Allergan filed additional patents securing a longer life for its important drug Restasis and then in April 2014, Valeant Pharmaceuticals made a hostile bid for Allergan. Valeant's offer represented a roughly 40% premium to Allergan's "unaffected" share price earlier in the year, which would seem to be a respectable offer on the surface. The unique thing about the situation from our perspective, however, was that Allergan was somewhat undervalued when the offer was made. Much of the value to be created by Valeant's proposed acquisition of Allergan was in cutting costs, but given the significant growth investments made for many years, Allergan management had considerable room to cut costs themselves. They acted quickly to do just that, revealing greater earnings power and raising the company's standalone value by a similar amount in a short period of time. We maintained our large position in Allergan because we remained comfortable with the company's valuation on a standalone basis. We also expected that a better offer was coming because a premium is required to buy such a prized asset. With another suitor, Actavis, ultimately striking a deal to pay a higher and more appropriate value for Allergan late in the year, we believe we have successfully realized most of the unappreciated value of this investment for our clients. We therefore sold approximately half of our position in December 2014.

While 2014 was a banner year for Allergan, the value was realized after many years of patience and a few speedbumps along the way. Allergan is being added to our list of big investment successes because we remained focused on the business fundamentals and we maintained our long-term perspective throughout the life of the investment. Big winners are definitely a part of the formula for producing excess returns over time, but to not appreciate the long-term investment discipline required to stay the course in order to "suddenly" realize that value would be a valuable insight missed.

Leading detractors from our overall Portfolio returns during the full year were Google, T. Rowe Price and eBay. As discussed in our **2nd Quarter 2014 Portfolio Commentary**, we eliminated our position in eBay because the business was not realizing its growth potential and we felt management had made some questionable strategic and financial decisions. In our **3rd Quarter 2014 Portfolio Commentary** we explained that we sold our position in T. Rowe Price to fund better investment opportunities. While T. Rowe Price was a good investment for the roughly four years that we owned it and remains a great franchise, the accumulation of several smaller concerns weighed on our conviction and the share price to some degree. While we maintain a long-term perspective, when a business is not living up to our expectations or we find more compelling investment opportunities, we make adjustments.

If, however, the share price of one of our holdings is underperforming but we remain confident in the long-term prospects of the business, then we typically hold tight or look to add to the position if it is not already at our desired weight. This is precisely what we did with both Google and Priceline, which were the leading detractors during the fourth quarter.

We bought an initial 2.0% position in Priceline mid-year. As explained in more detail in our **2nd Quarter 2014 Portfolio Commentary**, Priceline is the leading online travel agent ("OTA") in a large and fast-growing, online travel industry. We believe Priceline has notable scale advantages and benefits from a positive network effect whereby providing the largest hotel supply attracts more travelers over time and these additional travelers attract even more hotels. Priceline is a valuable partner to hoteliers and despite its already dominant market position we believe there is significant runway for growth. Priceline shares pulled back during the second half of the year as weakness in Europe may portend slower growth in Priceline's biggest market. The Euro-U.S. Dollar exchange rate also moved strongly against the business late in the year. While growth may slow to some degree in the near-term, we believe Priceline remains well-positioned to drive mid- to high-teens earnings per share growth for many years to come, and at roughly 18x forward earnings the business is attractively valued. We added to the position when the stock pulled back in the third quarter and again in the fourth quarter making Priceline a full position in the Portfolio as of now.

Google, which has been a significant holding in our Portfolio for many years, was the leading detractor during the fourth quarter and the full year. Although the business will deliver high-teens earnings per share growth in 2014, the shares fell approximately 5% for the year with much of that decline occurring during the fourth quarter after management reported third quarter results. Third quarter Google Sites net revenue growth of 19% was a slight deceleration in growth versus the past few quarters, suggesting Google may be seeing a slowdown in its core desktop search business. While this is certainly possible, we believe mobile search is and will continue growing at a very strong pace, which should drive strong overall revenue and earnings growth for many years to come.

To give some additional detail, Google does not specifically disclose its desktop or mobile search revenues, but by our estimation mobile monetization is likely less than one-third of desktop search monetization on a per user basis. Google management has stated very clearly that they expect mobile monetization to ultimately exceed desktop search monetization given the additional data / signals (such as location) that are available when a search is done from a mobile device. We think this presents a significant long-term growth opportunity for Google even as desktop search matures. Google also has several businesses such as YouTube, Display and Google Play that present nice growth opportunities for the long term. While Google was already a significant holding in our Portfolio, with the shares trading for less than 17x forward earnings estimates (15x excluding roughly $60b cash on its balance sheet) and our expectation that Google will continue to grow earnings in the high teens, we believe Google offers one of the best price to earnings growth combinations in our Portfolio. Thus, we believe it should be one of our largest active weights. Google is priced at a market (average) multiple, but it is clearly not an average company. It is a competitively advantaged business with a dominant market position, a fortress balance sheet, strong earnings growth and a visionary leader. We added to our position on the recent share price pull back, and Google is now approximately 8.5% of our Portfolio.

Finally, we added Celgene to the Portfolio during the fourth quarter. Celgene is a leading biopharmaceutical company that targets hard-to-treat and chronic diseases, with a primary focus on hematology & oncology and immunology & inflammation. Celgene's drug Revlimid is the cornerstone therapy for treating multiple myeloma and the bedrock of the company's business. Management has also developed, organically and through acquisition, multiple other therapies with blockbuster potential that should complement the strong steady growth of Revlimid and further diversify the business over time. Celgene invests aggressively in R&D (greater than 30% of sales including investments in collaborations) and has a significant earlier stage pipeline due to its extensive collaboration efforts. With current products expected to drive greater than 20% annual earnings growth for the next few years, no significant patent expirations for many years to come and a promising pipeline to drive growth in the longer term, we believe Celgene is a great addition to the Portfolio.

In summary, we continue to feel good about the performance of the businesses that we own and have added to the Portfolio this year. Our Portfolio companies are collectively delivering mid-teens earnings per share growth, which is what we believe drives share prices and performance over the long term.

We are also pleased that the strong fundamental performance of our Portfolio holdings were better recognized later in the year, with the broad-based strength of our Portfolio in the fourth quarter driving strong outperformance for the full year. While a couple of quarters does not necessarily make a trend, it also seems that some of the macro headwinds that have weighed on our relative performance during the past several years, such as the leverage factor, may be abating as the Federal Reserve moves closer to raising the Fed Funds rate. As always, we would welcome a market that is more focused on fundamental business performance as this is typically the type of environment where the strength of our Portfolio is most readily recognized.

Attribution

The top three contributors (Portfolio average weight multiplied by return) for the fourth quarter of 2014 were Allergan (1.74%), Visa (1.52%), and Oracle (0.98%). The three largest detractors for the quarter were Google (-0.90%), Priceline (-0.07%), and Celgene (-0.07%).

The top three contributors for the full year 2014 were Allergan (6.04%), Apple (1.58%), and Nike (1.44%). The three largest detractors for the year were Google (-0.50 %), T. Rowe Price (-0.44%), and eBay (-0.36%).

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

Sincerely,

Polen Capital Investment Team

Historical Performance

Polen Capital Monthly Performance Update - December 31, 2014				
	PCM (Gross)	PCM (Net)	R1000G	S&P 500
Dec-14	0.05%	0.05%	-1.04%	-0.25%
4Q14	10.19%	10.04%	4.78%	4.93%
1 Year	17.59%	16.95%	13.05%	13.69%
3 Years	17.84%	17.16%	20.26%	20.41%
5 Years	15.59%	14.82%	15.81%	15.45%
7 Years	11.03%	10.24%	8.41%	7.27%
10 Years	10.18%	9.35%	8.49%	7.67%
15 Years	7.36%	6.48%	2.21%	4.24%
20 Years	13.54%	12.53%	9.04%	9.85%
25 Years	13.92%	12.85%	9.10%	9.62%
Since Inception (1/1/89)	14.54%	13.46%	10.02%	10.40%

*Returns are trailing through 12/31/14. Annualized returns are presented for periods greater than 1 year.

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Supplemental information to a fully compliant composite performance presentation.

GIPS Disclosure

Polen Capital Management
Large Capitalization Equity 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 Gross	Composite Net	S&P 500	Russell 1000 Growth	Composite Dispersion	PCM Gross	S&P 500	Russell 1000 Growth
2014	5,465	1,373	4,092	2,054	271	17.59%	16.95%	13.69%	13.05%	0.2%	10.66	9.73	9.10
2013	5,017	1,197	3,820	1,901	261	23.77%	23.04%	32.39%	33.48%	0.3%	11.91	12.11	12.35
2012	4,522	891	3,631	1,581	358	12.43%	11.75%	16.00%	15.26%	0.1%	16.01	15.30	15.88
2011	2,366	562	1,804	596	185	9.02%	8.23%	2.11%	2.64%	0.2%	15.97	18.97	18.01
2010	1,185	322	863	337	129	15.65%	14.69%	15.06%	16.71%	0.2%	20.16	22.16	22.42
2009	624	131	493	235	127	39.73%	38.49%	26.46%	37.21%	0.3%	16.99	19.91	20.01
2008	266	10	256	152	121	-27.84%	-28.44%	-37.00%	-38.44%	0.2%	15.26	15.29	16.63
2007	682	-	682	504	152	10.73%	9.82%	5.49%	11.81%	0.2%	8.36	7.79	8.66
2006	730	-	730	533	224	15.07%	14.12%	15.80%	9.07%	0.1%	7.27	6.92	8.43
2005	1,849	-	1,849	986	430	-0.51%	-1.42%	4.91%	5.26%	0.2%	8.10	9.17	9.67
2004	2,017	-	2,017	1,160	693	8.76%	7.78%	10.88%	6.30%	0.2%	10.09	15.07	15.66
2003	1,617	-	1,617	969	570	17.72%	16.67%	28.68%	29.75%	0.6%	12.98	18.32	22.98
2002	970	-	970	544	420	-6.69%	-7.54%	-22.06%	-27.88%	0.4%	13.15	18.81	25.58
2001	703	-	703	417	305	-4.61%	-5.50%	-11.93%	-20.42%	0.6%	13.58	16.94	25.56
2000	622	-	622	363	239	-3.50%	-4.45%	-9.10%	-22.42%	0.5%	16.52	17.67	23.11
1999	640	-	640	385	233	23.89%	22.63%	21.04%	33.16%	0.6%	18.27	16.76	19.27
1998	418	-	418	266	205	31.61%	30.20%	28.58%	38.71%	0.7%	17.95	16.23	18.15
1997	252	-	252	147	160	37.14%	35.64%	33.36%	30.49%	0.9%	13.17	11.30	12.80
1996	140	-	140	94	125	31.95%	30.43%	22.96%	23.12%	0.7%	10.16	9.72	10.49
1995	70	-	70	46	63	48.08%	46.34%	37.58%	37.18%	1.1%	9.72	8.34	9.26
1994	32	-	32	18	28	10.11%	8.94%	1.32%	2.62%	1.6%			
1993	24	-	24	16	27	13.07%	11.85%	10.08%	2.87%	2.9%			
1992	16	-	16	11	24								

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

Performance Disclosure

The Large Capitalization Equity Composite created on January 1, 2006 contains fully discretionary large cap equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against the S&P 500 and the Russell 1000 Growth indices. Polen Capital invests exclusively in a portfolio of high quality large cap and liquid companies.

Polen Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Polen Capital Management has been independently verified by Ashland Partners & Company LLP for the periods April 1, 1992 through June 30, 2014.

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. The Large Capitalization Equity Composite has been examined for the periods April 1, 1992 through June 30, 2014. The verification and performance examination reports are available upon request.
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. As of July 1, 2002, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash outflow of 10% or greater of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the first full month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request. 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 75 basis points (.75%) on the first $50 Million and 55 basis points (.55%) 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 is not necessarily indicative of future results and future accuracy and profitable results cannot be guaranteed. Performance figures are presented gross of management fees and have been calculated after the deduction of all transaction costs and commissions. Polen Capital is a SEC registered investment advisor and its investment advisory fees are described in its Form ADV Part 2A. The advisory fees will reduce client's returns. The chart below depicts the effect of a 1% management fee on the growth of one dollar over a 10 year period at 10% (9% after fees) and 20% (19% after fees) assumed rates of return.

The S&P 500® Index is a widely recognized, unmanaged index of 500 common stocks which are generally representative of the U.S. stock market as a whole.
The Russell 1000® Growth Index is an unmanaged index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values.

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