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POLEN U.S. SMALL COMPANY GROWTH STRATEGY

Summary

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- During the second quarter of 2018, the Polen U.S. Small Company Growth Composite Portfolio (the "Portfolio") returned 8.82% gross of fees. The Russell 2000 Growth Index (the "Index") returned 7.24%. For the trailing one year, the Portfolio returned 24.77% gross of fees versus 21.87% for the Index.

- We believe our portfolio remains very healthy with average sales growth of 19.8% and average return on invested capital of 18.4% for the trailing twelve-month period, and average total debt as a percentage of total capital of 20% as of the end of the second quarter. In our opinion, these metrics show that our companies are doing an admirable job of efficiently growing sales while driving considerable shareholder value without a heavy reliance on outside sources of capital. This is consistent with our long-term investment approach that focuses on the highest-quality companies with strong balance sheets, above-average growth and profitability, and what we believe are enduring competitive advantages.

Commentary

During the second quarter of 2018, the U.S. Small Company Growth Composite Portfolio (the "Portfolio") returned 8.82% gross of fees. This compares with a return of 7.24% for the Russell 2000 Growth Index (the "Index") in the same period. U.S. small cap stocks were strong throughout the quarter with a slight pullback in the last few weeks. In the month of June, volatility increased as investors appeared to become increasingly concerned about Federal Reserve tightening and international trade wars. The ongoing strength in U.S. markets continues to be remarkable, as this was the tenth straight quarter of positive returns for the Index. We believe this is largely due to investors' confidence in the economic backdrop, which is the best in quite some time, as well as the enthusiasm from the strength of the growth in earnings from U.S. companies. We were quite pleased with the performance of the businesses in the Portfolio, as many continued to show results that were higher than their stated expected long-term growth rates. We attribute this to the continuation of a strong global economic backdrop, the benefits of the recent U.S. tax reform, and solid execution by the management teams for our holdings.

The sectors that had the most positive impact on the Portfolio were consumer discretionary and industrials. In consumer discretionary, the Portfolio benefitted from both strong stock selection and our overweight allocation. In industrials, we benefitted from being underweight relative to the Index with better than Index performance from the industrial companies we own. The sectors that detracted most from performance were financials and healthcare. In the case of financials, it was stock specific, due to underperformance of a single holding, LendingTree. In healthcare, our companies generally performed well, but could not keep pace with the outstanding performance of the biotechnology industry where we have no exposure. We have experienced this drag from biotechnology for the past few quarters. In our experience, it is not unusual for biotechnology to perform well when there appears to be a high appetite for risk in the equity markets and the market is rising. As we have detailed several times, we keep an eye out for companies in this sector that meet our strict guardrails, but very few make the cut due to their lack of profits, extensive use of cash, and reliance on the capital markets to continue their growth and to keep their pipeline going. As such, this can be an area that can swing relative results in the short term, but does not drive significant differences over the longer term in our view.

With regard to performance of key factors in the Index, the strongest performance in the quarter came from companies that have lower debt levels. With our commitment to focusing only on companies that do not use a lot of financial leverage, this benefitted us during the period. Other factors were less correlated to strong performance relative to the Index but worth noting. First, our highest return on invested capital companies had the biggest impact on performance during a period where returns by ROIC were more balanced across the Index quintiles. In the Index, returns were bifurcated with the strongest performance coming from the first and fifth quintiles. Next, focusing on sales growth, the companies that had the most impact on our portfolio were those in the second quartile for sales growth delivering between 10-30% annual growth. This is the growth level when more than 50% of our portfolio falls. In the Index, returns were more balanced across sales growth quintiles.

Portfolio Performance & Activity

In normal markets, we would expect the growth in earnings and cash flow to drive positive absolute and relative returns for the Portfolio. This past quarter, the average growth in earnings for the Portfolio companies was slightly higher than our expected mid-teens annual earnings growth expectation.

Our top contributors in the quarter were largely driven by reporting better-than-expected earnings or continued strength in earnings and fundamentals.

Fox Factory Holding Corp. was our strongest performer after reporting another quarter of solid growth. This manufacturer of ride dynamics products that are used on high-end bicycles, side-by-side vehicles, and on-road vehicles used for off-road activities has been growing revenue greater than 15% compounded over the last five years, and the management has produced steady margin leverage that has enabled them to increase EPS at a 25% compounded growth rate. In addition, the company has solid returns on capital, with ROE consistently over 20%. We believe the increasing share they have seen is repeatable due to the high quality of the products and the measured way that management runs the business.

Nutrisystem, Inc. was next best, after reporting Q1 2018 revenue and earnings per share that exceeded expectations, driven by better than expected results in Nutrisystem's direct-to-consumer business and South Beach Diet revenues that increased significantly year-over-year. This came as a relief to investors after the weakness last quarter when Nutrisystem management reported that their 2018 growth would fall short of expectations due to a failure in their creative campaign as well as a departure from their usual media buying strategy. Management reported on the Q1 call that they have seen measurable improvements in response to the creative changes they have made, believing such changes are putting them back on a path to delivering double-digit revenue growth in 2019 and rebuilding investors' confidence in the Company.

Ollies Bargain Outlet Holdings Inc was third best, after reporting another strong quarter of year-over-year growth. Earnings were up 64% year over year, despite same store sales performance of only 1.9%, which was within management's targets, but represented a deceleration versus recent results. Most impressive to us were the company's healthy merchandising margins, significant SG&A leverage and strong new store performance.

Stamps.com Inc. reported another very good quarter. The company provides postage and shipping services to small businesses, enterprises, and online shippers. We believe the thoughtful acquisitions of shipping solutions companies through the years has positioned the company to be a premier partner to online merchants and is benefitting from the shift to e-commerce. You may recall that we added to the position in the fourth quarter of 2017 when the stock showed downside volatility following a solid earnings report. With a strong revenue growth profile, high margin structure, and well-above average returns on capital, this is the kind of company we look for as an investment. We think that the business is well-positioned to grow at an attractive rate for the next several years and that management will continue to make investments that facilitate repeatable growth.

Our largest detractors in the quarter showed relative price weakness, mostly due to concerns regarding the level of continued revenue growth. This did not cause us to make any changes at this time.

LendingTree, Inc. was our weakest performer in the quarter based on total effect. The company continues to report excellent absolute results but is showing signs of revenue growth deceleration, which has driven multiple compression. We understand that the driver of this deceleration is solely LendingTree's mortgage business, which is facing macro headwinds in a rising interest rate environment. Offsetting these headwinds is strong growth in the company's non-mortgage business which has the added benefit of diversifying LendingTree's business and gives them the ability to drive a higher lifetime value per customer through cross-sales and overall sales repeatability. We remain excited by the long runway for growth that we believe LendingTree has, and acknowledge that the tightening mortgage market may potentially have a dampening effect on top-line growth in the near-term.

Paycom Software, Inc. was weak after reporting results that continue to be strong on an absolute basis, but like LendingTree, showed revenue growth deceleration and less upside versus previous quarters. We remain impressed by Paycom's consistent sales execution at both existing and new offices and the company's record margin performance. We had an excellent one-on-one meeting with Paycom's management at a recent conference and walked away very excited about their new employee self-service technology, which is helping them drive deeper penetration and higher satisfaction with their clients. We appreciate that an eventual deceleration in growth is probable, given Paycom's high pace of growth, and remain very excited about Paycom's prospects and what we believe is their ability to execute at a high level that appropriately balances growth and margins.

Cantel Medical Corp. reported good results for the quarter. The provider of infection-prevention products for the medical and dental markets posted results that are consistent with their long-term goals and past performance. The largest part of their business is the endoscopy segment, which grew at a pace that was lower than last quarter, but still at a healthy rate in our view. We viewed the growth in that segment to be above trend line last quarter and didn't get overly excited. We view this quarter's rate as slightly below trend line, but still in line with the long-term performance that we would expect. We believe that other investors may have expected more in the short term, and this may have caused the underperformance in the quarter. We believe that the growth of the business is repeatable, and we feel that management does a very good job of running the business and re-invests well to fuel future growth.

MarketAxess Holdings, Inc. was also weak during the quarter. The company continues to report strong results driven by its leading market position in U.S. credit and favorable secular tailwinds for electronic bond trading. However, broader bond market volume declines in the quarter, mixed market share figures, and concerns over increasing competition have seemingly pressured the stock over the past few months. We trimmed our position earlier in the quarter, which we will discuss in detail later in this letter.

The Portfolio is invested in high-quality growth companies in growth sectors and industries. We believe the companies are competitively advantaged and we believe each can sustain above-average earnings growth for many years. Currently, all 29 holdings in the Portfolio generate operating cash flow and report positive earnings. We believe this high-quality bias affords the Portfolio downside protection while capturing appreciation from the strong earnings growth of the holdings. The Portfolio is invested mostly across the three main growth sectors: technology, health care and consumer discretionary. These sectors make up 83% of the Portfolio and 64% of the Russell 2000 Growth Index weights.

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

Purchases

We started a new position in **Globant SA**, a leader in the fast-growing digital strategy consulting services industry. Globant is a digitally-native company operating at the intersection of engineering, design, and innovation. The company is well regarded for its ability to combine the engineering and technical rigor of traditional IT service providers with the creative and cultural approaches of digital advertising agencies. Globant is helping high-profile blue chip clients including Google, Disney, Southwest Airlines, Electronic Arts, and Coca-Cola improve their digital customer experiences. With 6,700 professionals across the globe that are organized by highly relevant strategic, specialty, and foundational areas such as artificial intelligence, agile delivery, big data, gaming, and cybersecurity, Globant is well-positioned to build digital customer experiences for its clients that are personalized, time sensitive, context and location conscious. We believe that Globant's digital nativity is a competitive advantage, since they are unencumbered by the slow-growing, more competitive, and less profitable legacy services that many large IT services companies still have exposure to today. Additionally, Globant's pool of talent and access to talent in South America is an advantage given the scarcity of talent in this industry. We believe Globant will continue to grow its revenues 20%+ annually by leveraging its brand, excellent customer relationships, deep digital expertise, unique geographical footprint and scale. We feel that this strong top-line growth will convert to even better EPS and cash flow growth as the company delivers more revenue per professional and leverages its SG&A investments.

As you may recall, we added to our position in **Nutrisystem** last quarter, taking advantage of the large pullback in the stock. We made another incremental purchase in the second quarter to round out the position to a full position as the valuation remained compelling in the early part of the quarter.

We are encouraged by the progress the company is making on the creative and ad-buying front and feel confident management can get the business back on track to grow 15%.

We continued to add to the initial position in **LeMaitre Vascular, Inc.** that was started in the first quarter. As a reminder, we believe the company has a defendable niche that it can grow in the high-single-digits organically each year, and it provides a good foundation to augment growth with acquisitions. There was some volatility following the company's recent earnings report and we decided to take advantage of that by adding to the position.

Sales

We trimmed the position in **MarketAxess** in the quarter. This is entirely due to the high market cap of the stock, which sits at $7.4 billion at the end of the quarter. The business continues to be very good, with their growth and returns on capital showing strength. As we have detailed before, we generally look to find companies to buy at initial purchase between $500 million to $3 billion in market cap. We want to own these companies and let them compound to bring us to $6-9 billion over time. When they get to that level, we will look to trim or sell and repeat the process. We used the proceeds of this trim to fund the new purchase of Globant.

We decided to trim **Ollie's Bargain Outlet** in the quarter to bring the position size into line with the rest of the portfolio. Having this stock more heavily weighted has aided returns as the business has done exceedingly well and the resulting stock performance has been superior to the rest of our holdings and the overall market. We sized it where we did because we believed that the stock was mispriced at the time. Right now, we believe that the stock is fairly priced given the strength of the business and the quality and direction of the returns on capital. So, it is still a great holding in our view, but we feel it is prudent to have it at a weight that is in line with the other larger holdings in the portfolio in order to reduce risk associated with having an outsized position.

Portfolio Positioning & Outlook

As we look to the second half of 2018, we really like the prospects for our companies and we anticipate that many will benefit from the recent tax break for corporations both in higher short term profits and cash flows, but also from the long-term benefits of re-investing the excess cash into their businesses where they can earn high rates of retur for stakeholders. We believe after the type of strength we have seen in the U.S. equity markets, there is a fair amount of optimism built into the prices of the securities across the entire market. By focusing on high-quality companies that generate strong cash flow, we are confident that our holdings will generate above-average growth for the foreseeable future. We prefer the higher quality companies due to what we feel is the potential for repeatable growth in their businesses and their internal cash generation to keep the growth going. In a rising interest rate environment, we feel this becomes even more important. As we have highlighted before, many companies in the Index have added debt to help fund their growth prospects in the last several years due to the low cost of borrowing. As interest rates increase and the Federal Reserve shrinks its balance sheet, the cost of borrowing will increase and make it more difficult for these companies to fund future growth. We expect that our companies will not face that issue due to their strong cash-flow growth and low amounts of leverage. Business fundamentals in general continue to be very strong right now, as is the U.S. economy. We are seeing strong growth from many companies across the small company spectrum right now. We have evaluated many companies that are interesting to us, but many of them trade at prices that are high relative to the actual sustainability of the underlying businesses, in our view. We will monitor these for better opportunities and are very pleased with the collection of companies in the Portfolio today.

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

We want to give you all a personnel update. As many of you know, we hired Rayna Lesser Hannaway a little under a year ago. She has had a long and distinguished career investing in small cap securities. She has fit seamlessly into our process and is an invaluable resource for our team. As such, we promoted her to Portfolio Manager on the U.S. Small Company Growth strategy. We believe that the co-portfolio manager structure is most conducive to good decision making, and that we benefit from having two very experienced Portfolio Managers that are deeply engaged in the research process. In addition, we hired Rob Forker from Loomis Sayles to bolster our global coverage of smaller companies. Rob has a lot of experience in investing in a very similar style, and we have a desire to look broadly as we search for great companies and consider ways to add value to clients.

Rob started in May of this year, and has already provided valuable insight, contributing to our research and discussion regarding the purchase of Globant this quarter. It is our plan to have Rob research non-U.S. small companies and construct an International Small Company Growth portfolio that will launch sometime in the future. The growth of our team is exciting, and we will look to opportunistically add to it in the coming months and years where we see need and talented people that fit with our culture.

Lastly, we wanted to make you aware that we recently published a white paper entitled "Not All is What it Seems in Small Cap", in conjunction with our colleague Steve Atkins, Portfolio Strategist and Analyst for the Large Company Growth team.

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

Sincerely,
Tucker Walsh and Rayna Lesser Hannaway

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Historical Performance

Polen Small Company Growth (SMA) Composite as of 06-30-2018			
	Polen (Gross)	**Polen (Net)**	**R2000G**
Jun-18	3.16	3.16	0.78
3 Month	8.82	8.57	7.24
YTD	11.72	11.18	9.70
1 Year	24.77	23.52	21.87
Since Inception (3/9/17)	25.18	24.00	21.96

Source: Archer
Returns are trailing through: June 30, 2018
Annualized returns are presented for periods greater than 1 year.

GIPS Disclosure

Polen Capital Management
U.S. Small Company Growth Composite - Annual Disclosure Presentation

		UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation**	
Year End	Total (millions)	Assets (millions)	Assets (millions)	U.S. Dollars (millions)	Number of Accounts	Composite		Russell 2000 Growth	Composite Dispersion	Polen Gross	Russell 2000 Growth
						Gross	Net				
2017*	17,422	6,954	10,468	5.75	5	20.75%	19.92%	18.22%	N/A	-	14.8

Total assets and UMA assets are supplemental information to the Annual Disclosure Presentation.
**Performance represents partial period (March 9, 2017 through December 31, 2017), assets and accounts are as of December 31, 2017.*
***The 3 Year Standard Deviation is trailing through 12/31/17 for Russell 2000 Growth. 3 Year Standard Deviation is not available for the composite due to the composite's 3/9/2017 creation date.*

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GIPS Disclosure

The U.S. Small Company Growth Composite created on March 9, 2017 contains fully discretionary small company equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against Russell 2000 Growth. Polen Capital 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 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 Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price/book ratios and higher forecasted growth values.

The information provided in this document should not be construed as a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the composite or that the securities sold will not be repurchased. The securities discussed do not represent the composite's entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, and restrictions. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. A complete list of our past specific recommendations for the last year is available upon request.

Return	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
10%	1.1	1.21	1.33	1.46	1.61	1.71	1.95	2.14	2.36	2.59
9%	1.09	1.19	1.3	1.41	1.54	1.68	1.83	1.99	2.17	2.39
20%	1.2	1.44	1.73	2.07	2.49	2.99	3.58	4.3	5.16	6.19
19%	1.19	1.42	1.69	2.01	2.39	2.84	3.38	4.02	4.79	5.69