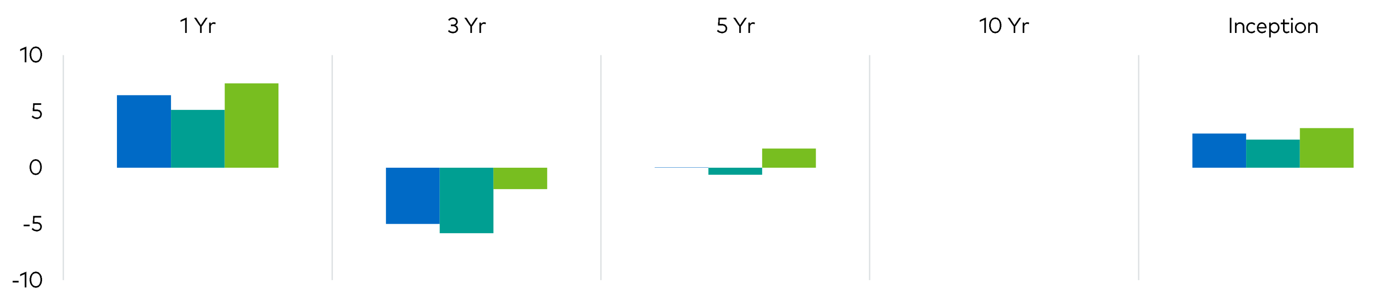
Polen Emerging Markets Growth

Portfolio Manager Commentary – December 2024

Summary

- Over the fourth quarter of 2024, the Polen Emerging Markets Growth Composite Portfolio (the "Portfolio") returned -5.80% gross and -6.00% net of fees versus the -8.01% return of the MSCI Emerging Markets Index (the "Index").
- Emerging markets were mainly dragged down by weaker performance in India and South Korea.
- The Consumer Discretionary and Financials sectors drove most of the Index return. This was primarily driven by strength in the large China e-commerce companies, banks, and insurers.
- The Information Technology sector pulled back, with the Korean semiconductor-related companies notable laggards. The Energy sector was also weak on a softer oil price.
- The top contributors to relative return over the period were dLocal, FPT Corporation, and Alibaba (zero weight). The top contributors to absolute return were dLocal, TSMC, and FPT Corporation.
- The largest individual detractors from relative performance were PDD Holdings, TSMC (underweight), and Xiaomi (zero weight). The largest absolute detractors were PDD Holdings, Anta Sports Products, and Genting Singapore.
- While acknowledging that short-term share prices may not always reflect business fundamentals, we maintain confidence in our Portfolio holdings' long-term prospects and remain excited about the opportunities in emerging markets. Recent developments in China could also help boost investor sentiment.
- Our focus remains on identifying companies with competitive advantages that we believe can generate long-term earnings and cash flow growth, regardless of commodity fluctuations or economic cycles.

Seeks Growth & Capital Preservation (Performance (%) as of 12-31-2024)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception (7-1-2015)
Polen Emerging Markets Growth (Gross)	-5.80	6.43	6.43	-5.01	0.03	-	3.03
Polen Emerging Markets Growth (Net)	-6.00	5.14	5.14	-5.83	-0.63	-	2.50
MSCI Emerging Markets (Net)	-8.01	7.50	7.50	-1.92	1.70	-	3.51

The performance data quoted represents **past performance and does not guarantee future results.** Current performance may be lower or higher. Periods over one-year are annualized. Performance figures are presented gross and net of fees and have been calculated after the deduction of all transaction costs and commissions, and include the reinvestment of all income. Please reference the GIPS Report which accompanies this commentary.

The commentary is not intended as a guarantee of profitable outcomes. Any forward-looking statements are based on certain expectations and assumptions that are susceptible to changes in circumstances. Opinions and views expressed constitute the judgment of Polen Capital as of the date herein, may involve a number of assumptions and estimates which are not guaranteed, and are subject to change. Contribution to relative return is a measure of a securities contribution to the relative return of a portfolio versus its benchmark index. The calculation can be approximated by the below formula, taking into account purchases and sales of the security over the measurement period. Please note this calculation does not take into account transactional costs and dividends of the benchmark, as it does for the portfolio. Contribution to relative return of Stock A = (Stock A portfolio weight (%) - Stock A benchmark weight (%)) x (Stock A return (%) – Aggregate benchmark return (%)).

All company-specific information has been sourced from company financials as of the relevant period discussed.

Commentary

Emerging market equity returns, as measured by the MSCI Emerging Markets Index, were negative over the period, mainly pulled down by weaker performance in India, Korea, and Brazil.

At a country level, Taiwan, primarily semiconductors, and Middle Eastern countries (Saudi Arabia, UAE, Kuwait, Qatar) contributed to the Index return. In India, we saw a reversal of recent fortunes as markets pulled back. A number of companies reported softer results during the quarter on elevated expectations, which negatively impacted broader sentiment. Additionally, Adani Enterprises, a large and well-known Indian conglomerate, and its associated businesses were caught up in bribery accusations against the company's billionaire founder, Gautam Adani. The Indian rupee fell to an all-time low against the US dollar. Meanwhile, equities were down in South Korea, as Samsung, India's largest company, disappointed investors, while political instability fuelled further outflows. In December, thousands of protesters gathered in the Korean capital to demand the immediate arrest of the impeached President over a failed martial law declaration that triggered a political crisis in the country.

Against this backdrop, Information Technology and Financials were the only sectors to post positive returns, while Materials and Consumer Discretionary were weakest. Within emerging markets, as represented by variants of the MSCI Emerging Markets Indices, the Growth Index fared better than the Value Index, and Large Cap outperformed Small Cap.

Portfolio Performance & Attribution

Over the fourth quarter, the portfolio returned -5.80% gross of fees and -6.00% net of fees, outperforming the MSCI Emerging Markets Index, which returned -8.01%.

Relative outperformance was driven by security selection and currency impact, while sector and country allocation were both detractors.

Security selection was strongest in the Consumer Staples and Discretionary sectors and outweighed by weaker selection in Energy and Health Care. Sector allocation, a fall-out of our bottom-up process, detracted from relative returns, primarily due to the overweight to the Consumer Discretionary sector.
At a country level, security selection was most substantial in India and Poland and outweighed weaker selection in Singapore and China. Country allocation, a fall-out of our bottom-up process, detracted from relative returns, primarily due to the underweight in Taiwan. The positive currency impact was primarily due to the Portfolio's zero weight in South Korea.

The top contributors to relative return over the period were **dLocal**, **FPT Corporation**, and **Alibaba** (zero weight). The top absolute contributors were **dLocal**, **TSMC**, and **FPT Corporation**.

dLocal, a payments processing company headquartered in Uruguay, recovered after a challenging period and reported better-than-expected results. While net income was below analyst expectations, the business showed an improvement in take rates and reduced processing costs. Revenues and operating margins also improved. Towards the end of the period, it was also rumored that the company was exploring a potential sale, which further buoyed the share price. Longer-term, as one of the leading payments processing companies in emerging markets, we believe dLocal can continue to see robust growth and improve profitability under a highly-regarded management team.

FPT Corporation, a leading IT services provider in Vietnam and one of the leading telecoms and private education businesses, continued to perform well. The company has seen robust demand, unlike other global IT services businesses that have experienced slowing growth. They also announced the launch of an AI factory in partnership with Nvidia, further boosting sentiment. **Alibaba**, a large Index position, performed poorly and boosted relative returns. The e-commerce giant posted weaker-than-expected results.

The largest individual detractors from relative performance were **PDD Holdings**, **TSMC** (underweight), and **Xiaomi** (zero weight). The bottom absolute detractors were **PDD Holdings**, **Anta Sports**, and **Genting Singapore**.

PDD Holdings, best known for the Temu shopping platform, saw share price weakness after showing a strong recovery at the end of the prior quarter on China stimulus news. Shares fell after the company missed revenue estimates and warned about intensifying competitive pressures. Revenues were up 44% and profits up 61% from the previous year, still below expectations. The weaker results were further exacerbated by underwhelming sales on rival platforms JD.com and Alibaba, raising concerns over the strength of the Chinese consumer. **TSMC**, where we are underweight, and **Xiaomi**, which we do not own, both saw robust returns over the period, which dragged on relative performance.

Portfolio Activity

We initiated one new position over the quarter, sold out of one, and made minor adjustments to existing holdings.

We initiated a position in **Nu Holdings**, parent company of Nu Bank. Nu Bank is the largest online neo-bank globally, with particularly strong positioning in Brazil and Mexico, where it approaches 100 and 10 million users, respectively. Nu was founded in 2013 by David Velez, a former venture capitalist, to take on incumbent banks in Brazil, which were notorious for high fees and poor service. In just over 10 years, the company has become Brazil's largest bank by users and market capitalization. Nu's advantages are its lower cost to serve customers, better underwriting practices, and unique, venture capital-like culture. These have allowed it to take significant share in Brazil with higher profitability than competitors. After its Brazilian success, Nu has brought its unique business model to Mexico and

Colombia. Early signs suggest equal success in those geographies. We expect to see attractive revenues and profits in the coming five years. While the current valuation of ~ 28x forward earnings is at the upper end of what we would typically see for a bank, we think it's justified given the high quality and growth profile. We have initiated this investment at a relatively small weight and may look for opportunities to add to it over time.

To fund this trade, we sold **Walmart de Mexico**, or "Walmex," Walmart's Mexican and Central American business. While Walmex has been a strong performer over our holding period, we think the return potential looks less compelling than other opportunities.

Outlook

In our view, external factors have recently been the main risks in emerging markets rather than significant structural internal risks. This will likely continue as the market grapples with high but decreasing global interest rates and stubborn inflation. Despite such external challenges, fundamentals appear to be reasserting themselves.

We expect emerging market growth to remain stronger than developed markets. We also expect valuations of what we consider high-quality emerging market growth companies to remain attractive and at a material discount to history and the broader emerging markets universe. Developments like those recently witnessed in China could also provide broader momentum for the asset class.

We remain focused on the long-term value propositions, competitive advantages, growth opportunities, and potential earnings power of our Portfolio companies, which enables us to think and act like owners. While market uncertainty continues, influenced by macroeconomic issues, we believe quality companies can weather the uncertainty and emerge stronger.

Given the power of compounding over time, we think that once we invest in great businesses, the best path forward is to maintain a long-term approach.

Thank you for your interest in Polen Capital and the Emerging Markets Growth strategy. Please feel free to contact us with any questions.

Sincerely,

Damian Bird, Dafydd Lewis, and Kumar Pandit

Experience in High Quality Growth Investing

Damian Bird, CFA
Head of Team, Portfolio Manager & Analyst
16 years of industry experience

Dafydd Lewis, CFA
Portfolio Manager & Analyst
19 years of industry experience

Kumar Pandit, CFA
Portfolio Manager & Analyst
14 years of industry experience

Important Disclosures & Definitions:

Disclosure: This commentary is very limited in scope and is meant to provide comprehensive descriptions or discussions of the topics mentioned herein. Moreover, this commentary has been prepared without taking into account individual objectives, financial situations or needs. As such, this commentary is for informational discussion purposes only and is not to be relied on as legal, tax, business, investment, accounting or any other advice. Recipients of this commentary should seek their own independent financial advice. Investing involves inherent risks, and any particular investment is not suitable for all investors; there is always a risk of losing part or all of your invested capital.

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The MSCI Emerging Markets Index is a market capitalization weighted equity index that measures the performance of the large and mid-cap segments across emerging market countries. The index is maintained by Morgan Stanley Capital International. It is impossible to invest directly in an index. The performance of an index does not reflect any transaction costs, management fees, or taxes.

Past performance is not indicative of future results.

Source: All data is sourced from Bloomberg unless otherwise noted. All company-specific information has been sourced from company financials as of the relevant period discussed.

GIPS Report

Polen Capital Management
Emerging Markets Growth Composite—GIPS Composite Report

		UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation[1]	
Year End	Total ($Millions)	Assets ($Millions)	Assets ($Millions)	U.S. Dollars ($Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	MSCI Emerging Markets (%)	Composite Dispersion (%)	Polen Gross (%)	MSCI Emerging Markets (%)
2023	58,910	22,269	36,641	385.63	3	5.14	4.10	9.83	N/A	16.99	17.14
2022	48,143	18,053	30,090	960.05	13	-23.41	-23.71	-20.09	0.3	22.01	20.26
2021	82,789	28,884	53,905	1,457.82	17	2.62	2.28	-2.54	0.4	18.49	18.33
2020	59,161	20,662	38,499	1,912.92	19	13.87	13.46	18.31	0.7	19.27	19.60
2019	34,784	12,681	22,104	1,962.09	20	13.52	13.11	18.42	0.8	11.73	14.17
2018	20,591	7,862	12,729	1,662.53	21	-11.29	-11.62	-14.57	0.4	12.96	14.60
2017	17,422	6,957	10,466	1,972.84	21	37.44	37.00	37.28	1.6	N/A	N/A
2016	11,251	4,697	6,554	1,358.84	20	7.13	6.74	11.19	0.8	N/A	N/A
2015*	7,451	2,125	5,326	1,202.36	19	-10.53	-10.73	-17.35	0.3	N/A	N/A

Performance % as of 12-31-2024:
(Annualized returns are presented for periods greater than one year)

	1 Yr	5 Yr	10 Yr	Inception
Polen Emerging Markets Growth (Gross)	6.43	0.03	-	3.03
Polen Emerging Markets Growth (Net)	5.14	-0.63	-	2.50
MSCI Emerging Markets (Net)	7.50	1.70	-	3.51

*Performance represents partial period (July 1, 2015 through December 31, 2015), assets are as of December 31, 2015.
[1]A 3 Year Standard Deviation is not available for 2015, 2016 and 2017 due to 36 monthly returns are not available. Some versions of this GIPS Report previously included assets of the Firm's wholly-owned subsidiary in the 2022 Firm Assets figure, in error. The figure above has been corrected to no longer count assets at the subsidiary level.
Some versions of this GIPS Report previously included certain dispersion and standard deviation metrics as 0.0, in error. The figures above have been corrected.
N/A - There are five or fewer accounts in the composite the entire year. Total assets and UMA assets are supplemental information to the GIPS Composite Report.
While pitch books are updated quarterly to include composite performance through the most recent quarter, we use the GIPS Report that includes annual returns only. To minimize the risk of error we update the GIPS Report annually. This is typically updated by the end of the first quarter.

GIPS Report

The Emerging Markets Growth Composite created on April 1, 2023 and incepted on July 1, 2015 contains fully discretionary equity accounts managed as part of our Emerging Markets Growth strategy and for comparison purposes is measured against the MSCI Emerging Markets Index.

Performance shown prior to March 2023 includes results achieved by the Emerging Markets Growth team while certain members were part of Columbia Threadneedle. The team joined Polen Capital on March 1, 2023. The performance results from Columbia Threadneedle are linked to Polen Capital's performance record.

Effective April 1, 2023, the accounts within the Polen Emerging Markets Growth Composite (previously known as the Polen Global Emerging Markets Growth Composite) were included into the CT Global Emerging Markets Composite. The composite was renamed to the Emerging Markets Growth Composite.

Prior to April 1, 2023, the CT Global Emerging Markets Composite included all portfolios which invest principally in equity securities of a broad range of companies established in, or deriving a significant amount of their income and profit from, emerging market countries worldwide with the objective of achieving growth. The CT Global Emerging Markets Composite strategy seeks to identify quality growing companies with strong capital management, and favours companies with the typical characteristics of reinvesting in their business for future growth yet with a sustainably higher dividend payout ratio, funded out of the growing earnings stream. Companies meeting these criteria generally have strong corporate governance and integrity of management. The investment style generally outperforms in flat or declining markets but may underperform in strong liquidity-driven markets.

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 for the periods April 1, 1992 through December 31, 2023. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Polen Capital Management is an independent registered investment adviser. Polen Capital Management maintains related entities which together invest exclusively in equity portfolios consisting of high-quality companies. A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, 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. Effective April 1, 2023, composite policy requires the temporary removal of any portfolio incurring a client initiated significant net cash inflow or outflow of 10% or greater of portfolio assets, provided, however, if invoking this policy would result in all accounts being removed for a month, this policy shall not apply for that month. 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. Prior to March 1, 2023, net of fee performance was calculated using actual management fees. After March 1, 2023, net of fee performance was calculated using either actual management fees or highest fees for fund structures. The annual composite dispersion presented is an asset-weighted standard deviation using returns presented gross of management fees calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating investments, and preparing GIPS Reports are available upon request.

Sources of exchange rates and share prices may differ between the benchmark and the individual portfolios contained within the composite.

The separate account 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.

The per annum fee schedule for managing the Polen Emerging Markets Growth Fund, which is included in the Emerging Markets Growth Composite, is 100 basis points (1.00%). The total annual fund operating expenses are up to 150 basis points (1.50%). As of April 30, 2022, the mutual fund expense ratio goes up to 150 basis points (1.50%). This figure may vary from year to year.

The per annum fee schedule for managing the Polen Capital Emerging Markets Growth Fund, which is included in the Emerging Markets Growth Composite go up to 150 basis points (1.50%). As of February 10, 2023, the ongoing charges and transaction costs taken each year go up to 199 basis points (1.99%) and approximately 3 basis points (0.03%), respectively. These figures may vary from year to year.

The separate account management fee schedule prior to April 1, 2023 for the CT Global Emerging Markets Composite is as follows: <$100 million 0.75%; $100-$150 million 0.70%; $150-$200 million 0.65%; >$200 million 0.60%.

A full breakdown of fees for this composite is available on request.

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. Portfolio returns are net of all foreign nonreclaimable withholding taxes. Reclaimable withholding taxes are reflected as income if and when received. 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 Emerging Markets Index is a market capitalization weighted equity index that measures the performance of the large and mid-cap segments across emerging market countries. The index is maintained by Morgan Stanley Capital International. The volatility and other material characteristics of the indices referenced may be materially different from the performance achieved. In addition, the composite's holdings may be materially different from those within the index. Indices are unmanaged and one cannot invest directly in an index.

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%	1.10	1.21	1.33	1.46	1.61	1.77	1.95	2.14	2.36	2.59
9%	1.09	1.19	1.30	1.41	1.54	1.68	1.83	1.99	2.17	2.37
20%	1.20	1.44	1.73	2.07	2.49	2.99	3.58	4.30	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