

Converting with Confidence: The 351 Timeline

The Dual Power of Section 351 Exchanges — Tax-Free Today, Tax-Efficient Tomorrow

A 351 exchange allows you to move appreciated securities into a newly launched ETF in exchange for ETF shares — without triggering capital gains taxes at the time of the exchange, provided certain IRS requirements are met.

Step 1: Initial Review

6-8+ weeks before Launch

- Review your current holdings to identify concentrated, low-basis positions
- Discuss your goals with your financial advisor
 - Tax Deferral
 - Diversification
 - Liquidity
- Confirm timing around the upcoming ETF launch

Step 2: Portfolio Assessment

4-6 weeks before Launch

- Submit full holdings file for analysis
- Ensure diversification requirements are met:
 - Max 25% in one company
 - Max 50% in top five positions
- Identify any adjustments needed

Step 3: Preparation & Documentation

2-4 weeks before Launch

- Finalize necessary agreements
- Coordinate logistics with your custodian
- Confirm eligibility under Section 351 guidelines
- Trading in the portfolio will pause two weeks before launch

Step 4: ETF Launch & Exchange

Launch Date

- Contribute approved securities to the new ETF
- Receive ETF shares at Net Asset Value (NAV)
- Defer capital gains taxes, if requirements are satisfied

Step 5: Ongoing Ownership

Post Launch

- ETF begins trading on the exchange
- Clients maintain liquidity and diversification in their portfolios
- Taxes deferred until ETF shares are sold

Once eligibility and interested is confirmed we will need:

- An Excel file of holdings including tax lot information, account numbers for each client participating, security identifiers, shares

What we need from you:

- **Custodian LOA:** Form authorizing your custodian to transfer shares from your account to the ETF
- **Month-end brokerage statement** showing tax lots being contributed
- **Subscription Agreement**

Important Disclosures: The transaction must meet Internal Revenue Code Section 351 requirements. Tax outcomes depend on individual circumstances. **This information is not to be relied on as legal, tax, business, investment, accounting, or any other advice. Recipients should seek their own independent financial and tax 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.** The information is in a summary format and therefore very limited in scope and not meant to provide comprehensive descriptions or discussions of the topics mentioned herein. Moreover, this has been prepared without taking into account individual objectives, financial situations or needs. As such, this presentation is for informational discussion purposes only. No statement herein should be interpreted as an offer to sell or the solicitation of an offer to buy any security (including, but not limited to, any investment vehicle or separate account managed by Polen Capital). This information is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. Any statements made by Polen Capital regarding future events or expectations are forward-looking statements and are based on current assumptions and expectations. Such statements involve inherent risks and uncertainties and are not a reliable indicator of future performance. Actual results may differ materially from those expressed or implied. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations. This information may not be redistributed and/or reproduced without the prior written permission of Polen Capital.