Summary

- The market appears to have digested the robust returns during the year's first half, taking a breather during the third quarter. Fed action and speculation around the direction of interest rates seems to be impacting markets.

- The Global Growth Composite Portfolio (the “Portfolio”) performed in line with the MSCI ACWI Index (the “Index”) for the quarter and outperformed the Index year to date.

- The largest relative contributors to the Portfolio’s performance during the third quarter were Apple, Alphabet, and Adobe. Alphabet, Adobe, and ADP were the top absolute contributors. The largest relative and absolute detractors to the Portfolio's performance during the third quarter were LVMH, Siemens Healthineers, and Align Technology.

- During the quarter, we purchased MSCI and Novo Nordisk. We trimmed Adobe, ICON, ServiceNow, and Microsoft and added to Workday and Amazon.

- Changing expectations do affect the markets in the short term, but we do not believe that macro factors will have a meaningful impact on the long-term fundamentals of the businesses we own. Regardless of the near-term direction of interest rates, we expect our companies to perform well through the cycle.

Seeks Growth & Capital Preservation (Performance (%) as of 9-30-2023)

<table>
<thead>
<tr>
<th></th>
<th>1 Yr</th>
<th>3 Yr</th>
<th>5 Yr</th>
<th>10 Yr</th>
<th>Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polen Global Growth (Gross)</td>
<td>-3.19</td>
<td>18.55</td>
<td>26.51</td>
<td>8.00</td>
<td>11.25</td>
</tr>
<tr>
<td>Polen Global Growth (Net)</td>
<td>-3.46</td>
<td>17.57</td>
<td>25.05</td>
<td>7.04</td>
<td>10.28</td>
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<tr>
<td>MSCI ACWI</td>
<td>-3.40</td>
<td>10.06</td>
<td>20.80</td>
<td>6.46</td>
<td>7.31</td>
</tr>
</tbody>
</table>
Commentary

The Global Growth Composite Portfolio (the “Portfolio”) was down -3.19% and -3.46% gross and net of fees, largely in line with the MSCI ACWI (the “Index”), which was down -3.40% during the quarter. The market appears to have digested the robust returns during the year’s first half, taking a breather during the third quarter. Year to date, the Portfolio is up 18.55% and 17.57%, gross and net of fees, respectively, versus 10.06% for the Index. Thus, the Portfolio underperformed by 6 basis points during the quarter and outperformed by 751 bps year to date, net of fees.

During the quarter, eyes remained fixed on central banks after the U.S. Federal Reserve paused its campaign of interest rate increases during the second quarter. During its most recent session, the Fed paused, but Chairman Jerome Powell signaled another potential rate increase this year.

Fed action appears to be impacting markets the most right now. There are many views on which direction policy will take, with broad speculation about whether rate hikes are complete, whether we will see additional rate increases, or whether rates will remain at these levels longer than many anticipate. Some believe the damage from previous rate hikes has yet to flow through the economy and will eventually precipitate a recession, leading to rate cuts. Inflation and the ongoing resilience of economies—uncertain variables—will ultimately drive the outcome.

These macroeconomic factors seem to be the focal point for many right now, and changing expectations do affect the market in the short term. But, we do not believe these factors will have a meaningful impact on the long-term fundamentals of the businesses we own.

We don’t own Apple, but it contributed to the Portfolio’s performance on a relative basis—Apple comprises over 4.5% of the Index, and its stock declined -11.6% during the quarter.

Both Alphabet and Adobe’s businesses continue to perform well. In the case of Alphabet, management is leaning heavily into the fact that they have been an AI business for some time. During the most recent quarter, the company generated ~$75 billion in revenue, an increase of 9% in constant currency. Despite the hype around ChatGPT and Bing, Google’s dominant search share was unaffected, and Search remains the largest contributor to Alphabet’s revenue growth and profitability. With over $20 billion in free cash flow during the quarter, we continue to admire the company’s ability to reinvest capital into areas other than Search, such as YouTube, Google Cloud Platform, and other bets. Management appears to be replying to Microsoft’s attack fervently and from a position of strength.

With respect to Adobe, the most recent quarter delivered more of the same with constant currency revenue growing 13%, margin expansion, and over 2% of shares outstanding repurchased for non-GAAP earnings growth of over 20%. We believe its approach to GenAI through Firefly, which guarantees safe content because it trains on Adobe Stock, will continue to be attractive to enterprises. The counter to GenAI, and something we are keeping an eye on with Alphabet and Adobe, is that it requires heavy investment. While both businesses can leverage their scale and manage costs in other areas, we expect the investment in future growth through GenAI will weigh on company-wide margins over the near term.

LVMH has enjoyed a terrific recent environment for luxury, with industry sales growing the fastest in over a decade. Growth drivers have been demand from China, rising emerging markets income, strong pricing power, and increased penetration in younger generations. Over the past five years, the company has compounded underlying earnings per share growth at 22%.

LVMH owns some of the world’s strongest luxury brands, but the tailwinds over the past decade are fading, and we do not believe that earnings will compound at the same rates over the next five years. Our more sober view on future growth rates appears to have been adopted by the market as well, with the company’s share price declining about 20% this quarter. This does not change our views on the long-term prospects for this business, though. We think LVMH is very reasonably valued and is well positioned to drive strong long-term growth.

Regarding Siemens Healthineers, the fundamentals are intact despite many moving parts from the decline in COVID-19 antigen testing revenues. To put this in perspective, COVID-19 testing revenues have fallen from €680m last year to €4m in the past quarter. Adjusting for some of these non-recurring events shows comparable revenue growth of 11%. Beginning in 2024, we expect headwinds from COVID-19 antigen testing and costs from the Corrindus acquisition to abate, revenues to accelerate, and margins to expand across all divisions.

Portfolio Performance & Attribution

The largest relative contributors to the Portfolio’s performance during the third quarter were Apple, Alphabet, and Adobe. From an absolute perspective, the top contributors were Alphabet, Apple, and ADP. The largest relative and absolute detractors to the Portfolio’s performance during the third quarter were LVMH, Siemens Healthineers, and Align Technology.

Concerning valuation, the Portfolio is trading at about 23x next-twelve-month earnings at the time of this writing, and we expect underlying earnings per share to grow in the mid-teens over the next five years. This valuation matches the Portfolio’s average since inception.

We own our businesses through cycles, they are currently performing well, and we expect them to continue to perform well.

Polen Global Growth – 3Q 2023
Portfolio Manager Commentary
**Portfolio Activity**

During the quarter, we purchased MSCI and Novo Nordisk. We trimmed Adobe, ICON, ServiceNow, and Microsoft and added to Workday and Amazon.

MSCI helps clients by offering investment decision support tools, including indices, portfolio risk, performance analytics, and corporate governance products and services. We believe that MSCI is one of the most competitively advantaged businesses today. These competitive advantages consist of being an industry “standard” business, serving as a required reference point for asset managers and asset allocators alike and creating powerful network effects. MSCI serves as a 3rd party, independent and objective reference point within an industry that requires one. It also executes a contributory data model whereby the company takes in raw data from the industry, refines and packages it, and sells it back to industry participants.

As we see it, CEO Henry Fernandez is an excellent allocator who has expanded the company’s moat. Historically, the company’s share price has kept us on the sidelines. At roughly 32x free cash flow, though, we believe that the company is priced fairly. We expect solid double-digit earnings growth for many years while seeing a path for potentially higher growth through significant optionality from ESG, climate, and private market offerings.

Regarding Novo Nordisk, we’ve covered the company for a long time and owned it many years ago, ultimately selling because of payor pricing pressure on the insulin business. What has changed the investment case for us, though, is the company’s innovation into GLP-1 drugs, which not only help diabetics control blood-sugar levels but have also shown significant efficacy in weight loss. Novo Nordisk’s best-known GLP-1 drugs, Ozempic (for diabetes) and Wegovy (for obesity), are already blockbusters, frequently grabbing headlines in global news publications for their significant results. GLP-1 drugs account for nearly 70% of Novo Nordisk’s sales today.

Obesity has become a global epidemic, creating materially negative knock-on effects for humans that range from an increase in cardiovascular events and, thus, lower mortality to a lower general quality of life.

Our research shows that Novo Nordisk has the track record, management team, and expertise to develop this market.

We believe that, over time, payors will recognize the value of these obesity treatments to both patients and the overall healthcare system.

In the case of Adobe, we remain convicted in the business, as evidenced by its large position size after the trim. We believe the company is fairly priced, but after appreciating by more than 50% year to date, we felt that a super-sized position was no longer warranted and decided to use Adobe to fund the MSCI purchase.

For ServiceNow and Microsoft, the price of each business has increased since the beginning of the year. We felt it prudent to trim the position sizes back, with ServiceNow representing a slightly below average Portfolio weight and Microsoft remaining as one of the largest positions.

ICON is one of a handful of large, globally scaled players in the Clinical Research Organization (CRO) market. Following a nice rebound in the stock this year, the position was among our largest holdings. While it remains a larger-than-average weighting given our view of its ability to drive solid earnings growth, we’ve used the proceeds to add to our positions in Amazon and Workday.

Workday continues to compound by replicating its go-to-market strategy with high-value and known products into its addressable market. The company’s initiatives into financials and expanding into other geographies required some patience, and the progress we have seen shows addressable market expansion that can allow for many years of outsized and compounding growth. The price, competitive advantages, and likelihood of outsized growth led us to size Workday as a larger position within the Portfolio.

Amazon continues to showcase it’s place as one of the most competitively advantaged companies in the world. The company has made significant progress in managing costs and better leveraging existing capacity, driving a strong recovery in its profitability. We think there’s additional room for improvement.

AWS growth seems to be stabilizing even while management continues to work with clients to optimize their infrastructure spend. Roughly 90% of global IT spending remains on premise. We believe this will eventually flip, with most IT spending ultimately moving to the cloud over time. We think AWS will be a significant beneficiary of this transition.

Further, our investment case on company profitability driven by AWS and advertising continues to unfold, delivering nearly $8 billion in free cash flow over the trailing twelve months and a net margin of 5%. We expect both to move higher with the mix shift of more profitable businesses growing fastest continuing to take effect.

At Amazon’s current price, we believe the company is well positioned to deliver a mid-teens or higher total shareholder return for our clients over the next five plus years without a Herculean effort from the business. It simply needs to continue executing on current businesses and growing into the capacity it built during and immediately after the pandemic.
Outlook

Regardless of the near-term direction of interest rates, our Portfolio companies are performing well, and we expect them to continue to perform well through the cycle. We believe the Portfolio’s valuation is currently fair for what we consider to be a collection of some of the best companies in the world. We believe these companies are well-positioned to deliver mid-teens underlying earnings per share growth, in the aggregate, for many years.

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

Sincerely,

Damon Ficklin, Jeff Mueller & Bryan Power

Definitions:

Price-to-earnings (P/E) ratio: The price-to-earnings (P/E) ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings.

EPS (earnings per share): The portion of a company’s income available to shareholders and allocated to each outstanding share of common stock.

Free cash flow: Free cash flow (FCF) is the money a company has left over after paying its operating expenses and capital expenditures. The more free cash flow a company has, the more it can allocate to dividends, paying down debt, and growth opportunities.

Experience in High Quality Growth Investing

Damon Ficklin
Head of Team, Portfolio Manager & Analyst
22 years of experience

Jeff Mueller
Portfolio Manager & Analyst
10 years of experience

Bryan Power, CFA
Portfolio Manager, Director of Research & Analyst
12 years of experience
# GIPS Report

Polen Capital Management—GIPS Composite Report

<table>
<thead>
<tr>
<th>Year End</th>
<th>UMA (Millions)</th>
<th>Firm (Millions)</th>
<th>Composite Assets (Millions)</th>
<th>Number of Accounts</th>
<th>Composite Gross (%)</th>
<th>Composite Net (%)</th>
<th>MSCI ACWI (%)</th>
<th>Composite Dispersion (%)</th>
<th>Polen Gross (%)</th>
<th>MSCI ACWI (%)</th>
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<tbody>
<tr>
<td>2022</td>
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<td>18,053</td>
<td>30,090</td>
<td>7</td>
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<td>-31.39</td>
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<td>17.90</td>
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<td>18.54</td>
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<td>2020</td>
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<td>20,662</td>
<td>38,499</td>
<td>3</td>
<td>25.01</td>
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<td>16.27</td>
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<tr>
<td>2019</td>
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<td>22,104</td>
<td>2</td>
<td>37.37</td>
<td>36.35</td>
<td>26.60</td>
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<td>11.22</td>
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<td>2</td>
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<td>2.22</td>
<td>-9.41</td>
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<td>2</td>
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<td>2016</td>
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<td>4,697</td>
<td>6,554</td>
<td>1</td>
<td>1.21</td>
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<td>N/A</td>
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<tr>
<td>2015</td>
<td>7,451</td>
<td>2,125</td>
<td>5,326</td>
<td>1</td>
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<td>0.33</td>
<td>7.33</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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</table>

Performance % as of 12-31-2022:
(Annualized returns are presented for periods greater than one year)

<table>
<thead>
<tr>
<th></th>
<th>1 Yr</th>
<th>5 Yr</th>
<th>10 Yr</th>
<th>Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polen Global Growth (Gross)</td>
<td>-30.53</td>
<td>7.73</td>
<td>-</td>
<td>10.00</td>
</tr>
<tr>
<td>Polen Global Growth (Net)</td>
<td>-31.39</td>
<td>6.80</td>
<td>-</td>
<td>9.06</td>
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<tr>
<td>MSCI ACWI</td>
<td>-18.35</td>
<td>5.22</td>
<td>-</td>
<td>6.73</td>
</tr>
</tbody>
</table>

1A 3 Year Standard Deviation is not available for 2015 and 2016 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.
Total assets and UMA assets are supplemental information to the GIPS Composite Report.
N/A - There are five or fewer accounts in the composite the entire year.
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.
The separate account management fee schedule is as follows:

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.

The per annum fee schedule for managing the Polen Global Growth Fund, which is included in the Global Growth Composite, is 85 basis points (.85%). The total annual fund operating expenses are up to 85 basis points (.85%).

The per annum fee schedule for managing the Polen Capital Global Growth ETF, which is included in the Global Growth Composite, is 85 basis points (.85%). The total annual fund operating expenses are up to 85 basis points (.85%).

Past performance does not guarantee future results and future accuracy and profitable results cannot be guaranteed. Performance figures are presented gross and net of management fees and have been calculated after the deduction of all transaction costs and commissions. Portfolio returns are net of all foreign non-reclaimable 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 ACWI Index is a market capitalization weighted equity index that measures the performance of large and mid-cap segments across developed and 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.

<table>
<thead>
<tr>
<th>Return</th>
<th>1 Year</th>
<th>2 Years</th>
<th>3 Years</th>
<th>4 Years</th>
<th>5 Years</th>
<th>6 Years</th>
<th>7 Years</th>
<th>8 Years</th>
<th>9 Years</th>
<th>10 Years</th>
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</thead>
<tbody>
<tr>
<td>10%</td>
<td>1.10</td>
<td>1.21</td>
<td>1.33</td>
<td>1.46</td>
<td>1.61</td>
<td>1.77</td>
<td>1.95</td>
<td>2.14</td>
<td>2.36</td>
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<tr>
<td>9%</td>
<td>1.09</td>
<td>1.19</td>
<td>1.30</td>
<td>1.41</td>
<td>1.54</td>
<td>1.68</td>
<td>1.83</td>
<td>1.99</td>
<td>2.17</td>
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<tr>
<td>20%</td>
<td>1.20</td>
<td>1.44</td>
<td>1.73</td>
<td>2.07</td>
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<tr>
<td>19%</td>
<td>1.19</td>
<td>1.42</td>
<td>1.69</td>
<td>2.01</td>
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<td>2.84</td>
<td>3.38</td>
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