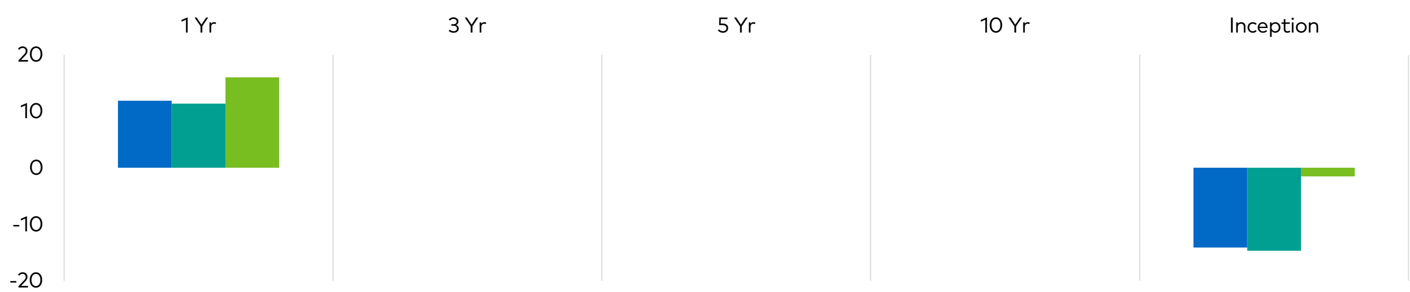
Polen Global SMID Company Growth

Portfolio Manager Commentary – December 2023

Summary

- Over the fourth quarter of 2023, the Polen Global SMID Company Growth Composite Portfolio (the "Portfolio") returned 10.04% gross and 9.92 % net of fees, respectively, versus the 11.63% return of the MSCI ACWI SMID Capitalization Index (the "Index").
- Optimism over cooling inflation and a shift in interest rate policy boosted sentiment.
- The top contributors to the Portfolio's performance, on both a relative and absolute basis, over the fourth quarter were Five Below, Shift, and CTS Eventim.
- The most significant detractors from performance, on both a relative and absolute basis, were Xpel, Paycom Software, and CCC Intelligent Solutions.
- Portfolio turnover was well above normal, reflecting a restructuring of the strategy.
- We remain focused on our portfolio companies' long-term value propositions, competitive advantages, growth opportunities, and potential earnings power.

Seeks Growth & Capital Preservation (Performance (%) as of 12-31-2023)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Polen Global SMID Company Growth (Gross)	10.04	11.92	11.92	-	-	-	-14.09
Polen Global SMID Company Growth (Net)	9.92	11.40	11.40	-	-	-	-14.68
MSCI ACWI SMID Net	11.63	16.02	16.02	-	-	-	-1.52

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

Commentary

Global small- and mid-cap equities posted positive total returns over the fourth quarter. Global equity markets were boosted by optimism that cooling inflation would remove the prospect of further interest rate increases into the new year. Despite softening inflation data, major central banks, including the U.S. Federal Reserve, the European Central Bank, and the Bank of England, left rates unchanged, although still at the highest levels seen in 15 years. Amidst this, the U.S. 10-year treasury declined 70 basis points, and sentiment readings showed signs of improvement.

At the benchmark level, in a reversal from the prior quarter, Energy was the weakest sector and the only one to post a negative return. Information Technology, Real Estate, and Financials were the best-performing sectors. From a style perspective, there was little difference in total return between value and growth, quality underperformed, and small caps slightly outperformed large caps. This closes out a year where large cap materially outperformed smaller cap, growth outperformed value, and lower quality names did better than higher quality within global small- and mid-cap.

Portfolio Performance & Attribution

Over the fourth quarter, the Portfolio returned 10.04% gross and 9.92% net of fees, respectively, versus the 11.63% return for the Index.

Portfolio underperformance was primarily driven by negative security selection. Security selection was strongest in Communication Services (**CTS Eventim**) but was outweighed by weaker selection in Real Estate (**Altus Group**, **FirstService Corporation**) and Financials (**Goosehead Insurance**, **Markel Group**). Sector allocation, an outcome of our bottom-up selection process, contributed positively to relative returns. The positive impact of our zero weight in Energy and overweight in Information Technology sectors outweighed the negative impact of being underweight in Real Estate and Industrials. From a factor perspective, an environment where value and beta outperform quality, growth, and profitability can be a headwind for our relative performance.

> **We remain focused on finding companies with competitive advantages that we believe can compound earnings and cash flows over the long term, independent of commodity swings or economic cycles.**

Our most significant individual contributors to performance over the fourth quarter were **Five Below**, **Shift**, and **CTS Eventim**.

Discount retailer **Five Below** recovered from Q3 weakness after it reported a better-than-expected fourth quarter. The company reported 14% year-on-year revenue growth and raised its full-year earnings and revenue guidance. As had been previously communicated, profits declined amid higher expenses, but the discount retailer continues to outperform its peers and is well positioned to capitalize on the holiday season and deliver on their goals for the year. Amidst a challenging macro backdrop, the company has executed well and benefits from consumers looking to stretch their dollar further. Looking ahead, we believe the company can compound its value at a high-teens rate over the next five years, driven by a combination of mid-teens new store expansion, mid- to low-single-digit comparable store growth, and modest margin expansion.

Shift, a Japanese technology company that specializes in software testing, announced good fourth-quarter and full-year results and was boosted further by growing expectations that AI would lead to an increase in non-enterprise testing. The outsourced software testing market is vast, and an estimated 98% of the workload is handled in-house today, even though companies like Shift can deliver this service more cheaply and efficiently. The company has a robust track record of hiring, training, and retaining talented engineers, and we expect the company to continue to deliver strong organic revenue growth for the foreseeable future.

CTS Eventim, the European leader in ticketing and live entertainment event management, reported positive quarterly results with profits well ahead of expectations. Ticketing sales were particularly robust, driven by blockbuster tours such as Taylor Swift and Coldplay. Despite the robust results, management maintained their full-year guidance. CTS continues to see a significant rebound in demand, even based on pre-Covid levels, and has seen profitability improve. We believe they can compound earnings close to 15% per annum given their dominant market position and the secular trends of ticketing moving online and increased consumer spending on experiences.

Our most significant detractors from performance included **Xpel**, **Paycom Software**, and **CCC Intelligent Solutions**.

XPEL is the leader in the automotive paint protection film ("PPF") market. During the period, the stock sold off sharply on news that Tesla entered the market in 2 of their 100 service centers. We believe the reaction was overblown, and the combination of increasing attach rates, adjacent categories (for instance, new markets like architectural and Marine), and geographic expansion provide a long runway of growth for XPEL. However, we exited the position over the period as part of the strategy changes outlined later in the letter.

Paycom sold off at the end of October as the market reacted negatively to the short-term negative impact on margins from continued investments in its platform and its "BETI" product. BETI is Paycom's self-service software that allows employees to input their own payroll data. The company has demonstrated that the use of BETI can significantly improve return on investment and has made its adoption a priority for its salesforce. While there is no immediate revenue uptick from BETI adoption, the long-term view is that it improves the return on investment of Paycom's offering and increases client retention. We maintain that Paycom is a high-quality, high-growth leader in human capital management and payroll software and should continue to take market share from long-standing incumbents.

While we are still assessing the BETI adoption in more detail, as long-term investors, we can look through the short-term noise and assess the opportunity over our multi-year investment horizon.

CCC Intelligent Solutions provides software and tools to the automotive insurance ecosystem. Their customers include insurance companies, repair shops, parts suppliers, medical insurance carriers, and auto manufacturers. Towards the end of the third quarter, acquisition speculation drove the stock higher. As it became clear an acquisition would not take place, the stock quickly gave back some of those earlier gains this past quarter. We also exited the position over the quarter as part of the restructuring.

Portfolio Activity

As outlined in more detail below, we made some changes to the strategy over the period, which resulted in much higher-than-normal turnover. Most of these changes were made at the end of the quarter and include new positions in **MarketAxess**, **Pool Corp**, **Warby Parker**, **Bumble**, **Fox Factory**, **Bio-Techne**, **Generac**, **Yum China, Aspen Technology, Medpace, Monolithic Power Systems, Etsy, dLocal,** and **Tencent Music.** We exited **Tyler Technologies, Tecan Group, Markel, Floor & Décor, Yeti, FirstService, Altus Group, CCC Intelligent Solutions, Xpel, Doximity, Fair Isaac Corp,** and **Tomra Systems.**

The number of holdings increased from 34 to 37, with a small number of further trades expected early in the first quarter.

Outlook

We continue to stay focused on the long-term value propositions, competitive advantages, ongoing initiatives, growth opportunities, and potential earnings power of our Portfolio companies. While the market remains dynamic, we are confident that the portfolio is well positioned to continue to deliver robust EPS growth into 2024 and beyond. While valuations have recovered somewhat this year, the Global SMID asset class remains attractive, and the fundamentals of the Portfolio remain sound.

Strategy Changes

Effective November 30, 2023, we restructured the Polen Global SMID Company Growth Strategy, departing from a sole portfolio manager approach to one that will be managed by a team of portfolio managers, capitalizing on Polen's expanded global footprint and complemented by the firm's enhanced portfolio construction expertise. Rayna Lesser Hannaway, Greg McIntire, Satya Dantuloori, and Shane Smith will serve as portfolio managers with different areas of focus and decision-making. Notably, Rob Forker has stepped down from the lead portfolio manager role and departed from Polen Capital as of November 30.

We believe the new structure allows us to cover this large and complex universe more efficiently and with greater depth. We will leverage Polen's greater global research resources that come with the growth of our London & Hong Kong offices, as well as the addition of Greg McIntire, an experienced investment leader who we believe will provide a more robust framework around portfolio construction. We firmly believe this enhanced management structure will elevate our process, lead to better opportunities for the strategy, and create better outcomes for our clients over time.

Importantly, while the changes result in a new process, the philosophy and objective will remain the same. We continue to construct a concentrated portfolio with a fundamentally driven company selection process consistent with our quality growth investment philosophy. Thank you for your interest in Polen Capital and the Global SMID Company Growth strategy. Please feel free to contact us with any questions.

Experience in High Quality Growth Investing

Greg McIntire, CFA
Head of Portfolio Insights & Portfolio Manager
26 years of experience

Rayna Lesser Hannaway, CFA
Head of Team, Portfolio Manager & Analyst
27 years of experience

Satya Dantuloori
Portfolio Manager & Analyst
17 years of experience

Shane Smith, CFA
Portfolio Manager & Analyst
11 years of experience

GIPS Report

Polen Capital Management
Global SMID Company Growth Composite—GIPS Composite Report

		UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation[2]	
Year End	Total ($Millions)	Assets ($Millions)	Assets ($Millions)	U.S. Dollars ($Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	MSCI ACWI SMID (%)	Composite Dispersion (%)	Polen Gross (%)	MSCI ACWI SMID (%)
2022	48,143	18,053	30,090	21.26	3	-41.32	-41.77	-18.72	0.0	N/A	N/A
2021*	82,789	28,884	53,905	13.20	2	4.12	3.61	2.81	N/A	N/A	N/A

Performance % as of 12-31-2023:
(Annualized returns are presented for periods greater than one year)

	1 Yr	5 Yr	10 Yr	Inception
Polen Global SMID Company Growth (Gross)	11.92	-	-	-14.09
Polen Global SMID Company Growth (Net)	11.40	-	-	-14.68
MSCI ACWI SMID Net	16.02	-	-	-1.52

* Represents partial period (July 1, 2021 through December 31, 2021), assets and accounts are as of December 31, 2022.
[2]A 3 Year Standard Deviation is not available for 2021 and 2022 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.
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 Global SMID Company Growth Composite created and incepted on July 1, 2021 contains fully discretionary global SMID company growth accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI SMID Cap. Effective January 2022, fully discretionary SMID company equity accounts managed as part of our Global SMID Company Growth strategy that adhere to the rules and regulations applicable to registered investment companies subject to the U.S. Investment Company Act of 1940 were included into the Global SMID Company Growth Composite. The accounts comprising the portfolios are highly concentrated and are not constrained by EU diversification regulations.

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, 2022. 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 January 1, 2022, 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 management fees and include the reinvestment of all income. 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 investments, calculating performance, and preparing GIPS Reports are available upon request.

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 Global SMID Company Growth Fund, which is included in the Global SMID Company Growth Composite, is 100 basis points (1.00%). The total annual fund operating expenses are up to 125 basis points (1.25%). As of 9/1/2023, the mutual fund expense ratio goes up to 1.25%. This figure may vary from year to year.

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 SMID Cap is a market capitalization weighted equity index that measures the performance of the mid and small-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.

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