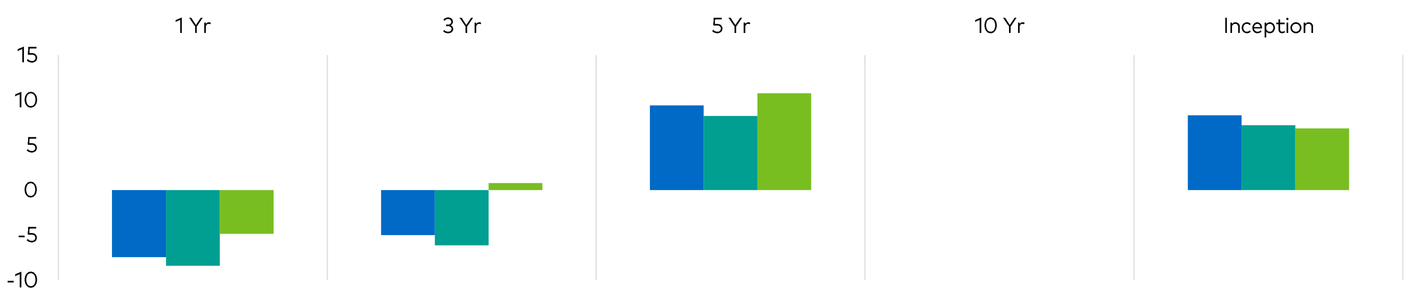
Polen U.S. Small Company Growth

Portfolio Manager Commentary – March 2025

Summary

- In Q1 2025, market optimism following the Trump election quickly gave way to fear and uncertainty due to concerns about new cost-cutting measures and trade policies, resulting in heightened volatility.
- The U.S. Small Company Growth Composite Portfolio (the "Portfolio") delivered -10.53% gross of fees and -10.82% net of fees, slightly outperforming the Russell 2000 Growth Index (the "Index") return of -11.12%.
- The top contributors to the Portfolio's relative performance in the quarter were Dutch Bros, EXL Service Holdings, and Goosehead Insurance. The top absolute contributors were Dutch Bros, Progyny, and Goosehead Insurance.
- The most significant detractors from performance, both relative and absolute, were Globant, e.l.f. Beauty, and Revolve Group.
- During the quarter, we initiated new positions in SAIA, Construction Partners, Comfort Systems USA, Wingstop, and Manhattan Associates, and added to several existing positions.
- We eliminated our positions in Charles River Labs, Etsy, Yeti Holdings, Align Technology, and Booz Allen Hamilton. We trimmed several existing positions. Many of our sells and trims were in the Consumer Discretionary sector, where we see more vulnerability to tariff uncertainty and economic dislocation.
- While we cannot control short-term market movements, we respond with disciplined research, patience, and rational decision-making. We regularly stress-test our Portfolios under different policy scenarios, thoughtfully exiting select investments, and identifying new opportunities amid volatility.
- Despite increased volatility, our disciplined philosophy, systematic process, and balanced approach help the team navigate market challenges and opportunities with conviction, maintaining focus on long-term growth rather than short-term reactions.

Seeks Growth & Capital Preservation (Performance (%) as of 3-31-2025)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception (3-9-2017)
U.S. Small Company Growth (Gross)	-10.53	-10.53	-7.44	-4.98	9.41	-	8.30
U.S. Small Company Growth (Net)	-10.82	-10.82	-8.42	-6.12	8.24	-	7.21
Russell 2000 Growth	-11.12	-11.12	-4.86	0.78	10.77	-	6.84

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.

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Commentary

The first quarter of 2025 marked the beginning of a particularly volatile period, as optimism fueled by the Trump election in the prior quarter shifted to heightened fear and uncertainty. This change stemmed largely from apprehension regarding the administration's cost-cutting measures and emerging trade policies, which began to take shape toward the end of the quarter.

The year-to-date market environment has been extraordinary, characterized by the global imposition of tariffs and mounting concerns about their impact on inflation and economic growth. This uncertainty has contributed to heightened volatility, presenting both challenges and opportunities for disciplined, long-term investors. Our clear investment philosophy, systematic process, and thoughtful portfolio construction—focused on balancing safety and growth within a quality growth opportunity set—enable us to navigate this uncertain environment with conviction and avoid reactionary, short-term thinking.

Regardless of market conditions, we remain committed to investing only in the highest-quality growth businesses.

> **Our definition of quality is dictated by our "Flywheel" investment criteria, which leads us to invest in companies uniquely positioned with competitive advantages.**

We seek businesses that deliver superior margins and returns, possess significant long-term growth potential, and demonstrate a proven, repeatable formula for compounding over time. Our investments are characterized by solid balance sheets and the capacity to invest and grow irrespective of external conditions.

We pair this disciplined approach with an expectation for mid-teens returns over our investment horizon. We focus on identifying companies whose durability and duration of growth are underappreciated by the market. In constructing the Portfolio, we maintain balance within the guardrails of our Flywheel criteria: pairing faster-growing businesses with slower, steadier compounders, diversifying across industries and long-term growth drivers, and upholding a concentrated, high-conviction stance. While this balanced quality-growth approach is essential, it becomes especially critical amid heightened volatility and uncertainty. In the current environment, we believe our deliberate, balanced portfolio construction is a prudent way to avoid overconfidence in any single outcome, reflecting our commitment to thoughtful risk management amidst ongoing uncertainty.

While we cannot control short-term market movements, we can control our response. Our process prioritizes diligent research, patience, rationality, and a focus on opportunities overlooked by emotional market participants. Since before the November election, we have stress-tested our businesses across various scenarios involving changes in government spending and tariff policies, consistently revisiting and refining these assumptions. We have chosen to exit investments in some instances, as detailed below. At the same time, we believe this environment has created compelling opportunities.

While the future remains difficult to predict, we believe we are prepared for continued volatility driven by economic uncertainty and evolving inflation and growth expectations. We will remain focused on long-term fundamental analysis, leveraging a forward-looking perspective and an opportunity-cost mindset to invest only in what we view as the best-of-the-best in our asset class.

Portfolio Performance & Attribution

During the first quarter, the Portfolio returned -10.53% gross of fees and -10.82% net of fees, slightly outperforming the -11.12% Russell 2000 Growth Index return.

The top contributors to the Portfolio's relative performance in the first quarter were **Dutch Bros**, **EXL Service Holdings**, and **Goosehead Insurance**. The top absolute contributors were **Dutch Bros**, **Progyny**, and **Goosehead Insurance**.

Dutch Bros is a drive-through coffee and beverage company with roughly 1,000 locations (and growing). The stock was up just shy of 30% on the back of compelling earnings headlined by better-than-expected comparable sales and full-year revenue guidance. Notably, the company does not appear to be experiencing headwinds from a weaker consumer amidst growing economic uncertainty. In fact, they saw a re-acceleration in comparable sales driven by impressive menu innovation, growing brand recognition, and higher throughput from digital ordering. We believe Dutch Bros has the potential to be a long-duration EPS growth business.

EXL Service Holdings is a business process outsourcing (BPO) company specializing in the insurance industry. Along with the broad IT services industry, EXL Service Holdings has been hampered by a weaker spending environment in recent quarters. However, early signs of a spending recovery suggest to us that earnings growth may accelerate, creating potential for depressed valuations to re-rate higher. Additionally, the company continues executing its AI strategy, introducing an insurance-specific large language model in partnership with NVIDIA. Given the insurance industry's traditionally slow pace of digital adoption, we think EXL Service has a long runway for growth ahead as digital adoption gains traction.

Goosehead Insurance, a digitally enabled P&C insurance brokerage, delivered better-than-expected 4Q24 results on the top and bottom lines. The company reported healthy business trends across metrics, including robust premium growth and an increasing agent count.

The most significant quarterly detractors from performance, both relative and absolute, were **Globant, e.l.f. Beauty,** and **Revolve Group**.

Globant was our largest relative detractor during the quarter. The IT spending environment in recent years has been challenging, and concerns about discretionary enterprise IT spend cloud the outlook for 2025. Stepping back, we continue to have a positive view on Globant. Amidst today's weak environment, with many of its peers reporting negative year-over-year organic revenue growth, Globant still sees a path to >10% revenue growth. We believe shares sold off in excess of the slowdown that impacted the entire industry, and we see a path to solid growth ahead.

e.l.f. Beauty sold off during the quarter on concerns over the impact of potential U.S. tariffs on China, given the company's supply chain exposure there. We have contemplated this for some time. While tariffs undeniably impact the business, at this time, we believe e.l.f. is positioned to manage through this with pricing power and shifting manufacturing away from China.

Revolve Group, an online apparel retailer targeting Millennials and Gen Z, gave back some of its solid 2024 performance (+102%) this quarter on concerns that tariff-related economic weakness could add to already weak consumer discretionary spending. Nothing has changed regarding the company's differentiated data-driven merchandising model and innovative marketing methods, which have established Revolve as a premium fashion destination. The company is led by a highly skilled management team that takes a disciplined, long-term-oriented approach to all aspects of the business.

Portfolio Activity

During the quarter, we initiated a new position in **Bio-Techne** and added to several existing positions.

Bio-Techne is a premier provider of life sciences tools and reagents, serving highly specialized niches and delivering mission-critical solutions for its customers. The company provides tools for advanced research in areas like proteomics, cell and gene therapy, and precision medicine. Although recent concerns about biotech end markets and funding may weigh on sentiment in the short term, we remain confident in the company's ability for long-term growth through innovation, disciplined M&A, and solid execution. We believe Bio-Techne's exposure to secular growth drivers, such as cell and gene therapy and liquid biopsy development, makes it a compelling addition to the Portfolio.

By contrast, we eliminated three positions—**Fox Factory Holdings, Topgolf Callaway**, and **Yeti Holdings**—and trimmed several existing positions. Many of the sells and trims were in the Consumer Discretionary sector, where we believe there is currently more vulnerability to tariff uncertainty and economic dislocation.

Fox Factory, a manufacturer of high-end shocks for bicycles and powered vehicles, has been an unsuccessful investment for us. Fox Factory initially seemed well-positioned to benefit from growing recreational and outdoor activities. However, the company faced significant challenges during our holding period. While pandemic-related bicycle supply chain disruptions severely impacted operations, and though these headwinds largely abated, additional weakness has emerged in its powered vehicle segment due to growing dealer inventories and ongoing issues at auto OEMs. While we think Fox Factory will likely weather this difficult period, in our view, it no longer represents the best opportunity for our capital, particularly given other compelling ideas with growth and quality prospects. As such, we exited the position to help fund new positions that we believe will better contribute to the Portfolio's long-term performance.

We also exited **Topgolf Callaway Brands** as the investment case became less compelling. While Topgolf remains an exciting growth driver, several factors have reduced our conviction. Pressure on the consumer, combined with execution risks tied to Topgolf's scaling and profitability trajectory, as well as rising competitive intensity in both golf equipment and entertainment, led us to conclude that our capital would be better deployed elsewhere.

We fully exited **Yeti Holdings** due to ongoing challenges that eroded our conviction. While the brand retains consumer appeal, several structural issues weighed on our thesis. Weak U.S. consumer spending, especially in drinkware, comprising 72% of sales, has turned ex-growth. Tariff risks and their impact on margins, along with the maturation of Yeti's direct-to-consumer channel, which has ceased to be a meaningful margin driver, compounded this conclusion. Given these dynamics, we exited the position to focus on better opportunities for growth and quality.

During the quarter, we added to and trimmed existing holdings, reflecting our opportunity cost mindset. We added to positions with better risk-reward profiles and more compelling Flywheels, and trimmed positions primarily due to valuation to fund new positions and add to existing holdings. We added to positions in **Rambus, Trex, Applied Industrial Technologies, Insight Enterprises, Paylocity, Medpace, e.l.f. Beauty,** and **AAON**.

We trimmed the following positions: **Warby Parker, EXL Service Holdings, Revolve Group, Dutch Bros**, and **Goosehead Insurance**.

Outlook

At the end of 2024, we expressed cautious optimism about the economic outlook while preparing for the potential for ongoing volatility, economic uncertainty, and fluctuating interest rate expectations. Unfortunately, today's economic landscape continues to be uncertain. Investors are grappling not only with the direct impact of tariffs, but also the economic costs of uncertainty. Many businesses have paused decision-making, while consumer sentiment grows more pessimistic. This uncertainty is further compounded by the possibility of a favorable resolution to the challenges created by the Trump administration's policies. Policies enacted through executive orders can be reversed as quickly as they are implemented.

Despite the likelihood of continued volatility, we see no need to sit idly or react impulsively to short-term market fluctuations. We remain confident in the fundamentals and resilience of our Portfolio companies, all of which meet our Flywheel investment criteria. By relying on rigorous, long-term fundamental research, we aim to identify exceptional investment opportunities when the market's short-term fears obscure broader potential.

Thank you for your continued interest in Polen Capital and the U.S. Small Company Growth Portfolio. Please do not hesitate to reach out with any questions.

Sincerely,

Rayna Lesser Hannaway, CFA and Whitney Young Crawford

Experience in High Quality Growth Investing

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

Whitney Young Crawford
Portfolio Manager & Analyst
17 years of industry experience

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The Russell 2000® Growth Index is a market capitalization weighted index that measures the performance of the small-cap growth segment of the U.S. equity universe. It includes Russell 2000® Index companies with higher price/book ratios and higher forecasted growth values. The index is maintained by the FTSE Russell, a subsidiary of the London Stock Exchange Group.

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.

Definitions:

EPS growth: the rate at which a company's earnings per share increases over a specified period, indiciating its profitability trend.

Headwind: a factor or condition that can impede the performance or growth of investments, sectors, or entire economies. These obstacles could be economic, political, or market-related and can negatively affect investment returns

Contribution to relative return: a measure of a security's 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.

GIPS Report

Polen Capital Management
U.S. Small Company Growth Composite—GIPS Composite Report

Year End	Total ($Millions)	UMA Assets ($Millions)	Firm Assets ($Millions)	Composite Assets U.S. Dollars ($Millions)	Composite Assets Number of Accounts	Annual Performance Results Composite Gross (%)	Annual Performance Results Composite Net (%)	Annual Performance Results Russell 2000 G (%)	Annual Performance Results Composite Dispersion (%)	3 Year Standard Deviation[2] Polen Gross (%)	3 Year Standard Deviation[2] Russell 2000 G (%)
2023	58,910	22,269	36,641	12.16	34	23.13	21.69	18.66	0.1	24.59	21.79
2022	48,143	18,053	30,090	87.89	36	-42.10	-42.86	-26.36	0.1	29.29	26.20
2021	82,789	28,884	53,905	83.77	155	18.67	17.69	2.83	0.6	23.54	23.08
2020	59,161	20,662	38,499	48.06	68	56.41	55.08	34.63	1.7	25.52	25.10
2019	34,784	12,681	22,104	8.28	8	22.73	21.62	28.50	0.1	N/A	N/A
2018	20,591	7,862	12,729	3.82	6	3.30	2.31	-9.29	0.0	N/A	N/A
2017[1]	17,422	6,957	10,466	5.65	4	20.74	19.82	18.22	N/A	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
U.S. Small Company Growth (Gross)	4.93	6.78	-	10.14
U.S. Small Company Growth (Net)	3.82	5.67	-	9.03
Russell 2000 Growth	15.15	6.85	-	8.69

[1]Performance represents partial period (March 9, 2017 through December 31, 2017), assets and accounts are as of December 31, 2017.
[2]A 3 Year Standard Deviation is not available for 2017, 2018 and 2019 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.

GIPS Report

The U.S. Small Company Growth Composite created on July 3, 2017 with inception date 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. Effective January 2022, fully discretionary small company equity accounts managed as part of our U.S. Small 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 U.S. Small 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, 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. A material error in the 2017 annual performance for the Russell 2000 Growth was corrected as of April 17, 2020. 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 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 U.S. Small Company Growth Fund, which is included in the U.S. Small Company Growth Composite, is 100 basis points (1.00%). The total annual fund operating expenses are up to 135 basis points (1.35%). As of 9/1/2023, the mutual fund expense ratio goes up to 1.35%. 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 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 is a market capitalization weighted index that measures the performance of the small-cap growth segment of the U.S. equity universe. It includes Russell 2000® Index companies with higher price/book ratios and higher forecasted growth values. The index is maintained by the FTSE Russell, a subsidiary of the London Stock Exchange Group.

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