



December 15, 2022

Dear Clients, Consultants, Advisors, and Friends,

2022 has been an unprecedented year of navigating market headwinds, establishing new partnerships, achieving important milestones, and strengthening our culture and communities. The events of the year tested the resolve of the industry, Polen Capital, and our clients.

We began the year with optimism as pandemic restrictions eased and a return to “normal” seemed within reach. This quickly changed as the war in Ukraine, rising energy prices, and a surge in global inflation created new uncertainties and market volatility. To combat inflation, central banks responded by **significantly raising interest rates**. In turn, higher rates hurt asset valuations and drove dramatically lower stock and bond prices. As a result, investors have suffered with diversified 60/40 portfolios delivering some of the worst calendar year returns in a century.

Amid this backdrop, our equity strategies underperformed, and over the last 12 months we were unable to meet our objective of preserving and growing client assets. As investors alongside our clients, we directly feel the consequences of our results. However, **we invest for the long term** and have confidence that our philosophy, approach, and hard work will prevail, just as they have over the past 30 years.

At a time when many firms retrenched and even announced layoffs, we made strategic investments that we believe will bring value to our clients. We achieved a major milestone in January with the acquisition and onboarding of DDJ Capital Management, a high yield bond manager with an exceptional long-term track record and \$8 billion of assets under management. Today, Polen can deliver **a range of distinctive high-yielding strategies** to meet clients' income needs. Our new investment franchise, renamed Polen Capital Credit, maintains the same philosophy and team that has successfully delivered consistent performance to clients for over 25 years. In 2022, we integrated the credit business, and Polen Capital Credit delivered on its value proposition.

In June, we reached an agreement to **expand our emerging markets franchise**. The additional resources, which include a dedicated China equity team, will join Polen in the first quarter of 2023. This expansion will reunite our London team with former colleagues and add both an on-the-ground research presence and an office in Hong Kong.

In addition, we are **investing in our business infrastructure, colleagues, and community**. We strengthened our executive leadership team and advisory board by welcoming new members with deep expertise. These additions will ensure we have broad perspectives as we manage our business to deliver on our mission.

We continue to **build a diverse talent pool and a culture based on trust**. Today, our team is diverse, and over half our employees are women, people of color, veterans, or members of the LGBTQ+

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community. In January, we introduced *Trust* as the firm's annual theme and throughout the year we studied the pillars of trust in high-performing cultures. In the spring, we brought the whole company together in person to strengthen personal connections. We believe our philosophy of supporting our colleagues and our culture of Going Beyond are vital to our ability to deliver long-term value to our clients.

Our efforts to drive employee engagement and retention are having an impact and for the seventh consecutive year Polen Capital has been awarded *Pension & Investments'* **"Best Places to Work in Money Management."**

In addition to positively impacting the lives of our colleagues, **we are active in our local communities.** Every month this year, our employees participated in volunteer events to support organizations such as Boca Helping Hands, Pine Street Inn, and Hackney Quest. We also hosted the ninth annual Make-a-Wish Polen Capital Golf Tournament and were able to help Florida-area children with critical illnesses and their families through 80 granted wishes.

Reflecting on this year, I am extremely **proud of our team's hard work, motivation, and resilience.** I have never seen my colleagues work harder than they have in 2022. Our portfolio managers, relationship managers, and operational team members had a record number of meetings with companies and engagement with our clients. We believe that focusing on hard work, learning, and communication will make the firm stronger and benefit our clients in the future.

As investors with decades of experience, we are confident that the current turmoil will pass. We have **conviction in our fundamental research, investment process,** and that our portfolios are resilient and well-positioned for the future. Importantly, experience teaches us that investors are rewarded over the long term.

I feel tremendous gratitude for our clients and colleagues who have trusted us through both good and turbulent times. Thank you for your confidence in our firm and investment philosophies. At Polen, our mission is to preserve and grow client assets to protect their present and enable their future. As we end this year and look to the future, we remain steadfast in our commitment to live our mission to serve you every day.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stan C. Moss".

Stan C. Moss
Chief Executive Officer