Polen Global Growth

Portfolio Manager Commentary – March 2023

Summary

- Markets began the year with a strong start, rewarding quality fundamentals in January, but concerns around inflation and central bank policy reemerged in February, Markets closed the quarter with quality rewarded again in March.

- The Polen Global Growth Composite Portfolio (the "Portfolio") outpaced the MSCI ACWI Index (the "Index").

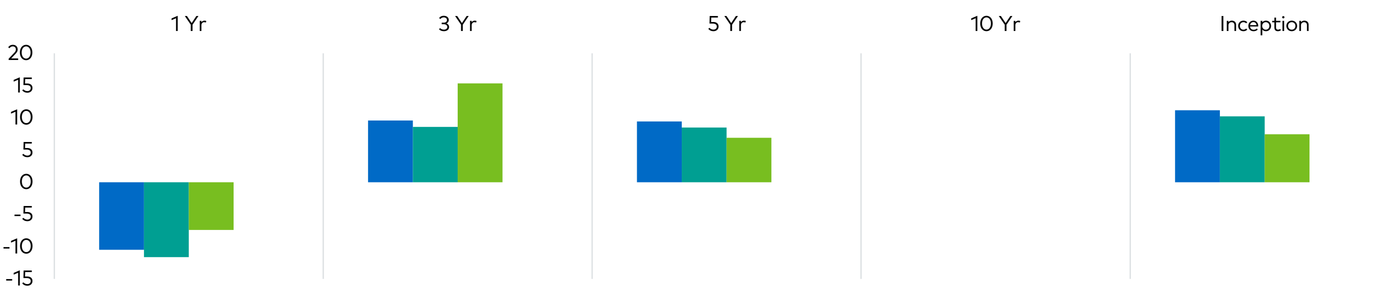
- During the first quarter of 2023, many of our companies continued to generate the outsized underlying earnings growth we anticipated. In contrast to 2022, the stocks of these businesses were rewarded, driving outperformance.

- Both on an absolute and a relative basis, the top three contributors during the quarter were Align Technology, Microsoft and SAP and the leading absolute detractors were Abbott Laboratories, ADP and CSL. Our top relative detractors, inclusive of what we don't own, however, were Apple, Nvidia and Abbott.

- During the quarter we added to our positions in Amazon and Thermo Fisher Scientific and trimmed weights in Mastercard, Visa, and Abbott Laboratories.

- Going forward, markets are still in a position to be heavily influenced by central bank activity. That said, we are confident in the current Portfolio and note that, due to 2022, our companies are trading at very reasonable prices.

Seeks Growth & Capital Preservation (Performance (%) as of 3-31-2023)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Polen Global Growth (Gross)	11.69	11.69	-10.51	9.58	9.43	-	11.17
Polen Global Growth (Net)	11.37	11.37	-11.62	8.57	8.50	-	10.21
MSCI ACWI	7.31	7.31	-7.43	15.36	6.92	-	7.44

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.

Commentary

During the first quarter of 2023, the Polen Global Growth Composite Portfolio ("the Portfolio") increased 11.69% and 11.37% gross and net of fees, respectively, and the MSCI ACWI Index (the "Index") increased by 7.31%. Thus, the Portfolio outperformed by 406 bps on a net of fees basis. The year began with a strong start as the market tended to reward quality fundamentals in January. Concerns around inflation and central bank policy reemerged in February when the U.S. Federal Reserve Chairman Powell remarked that rates may be kept at "a restrictive level for a period of time." Despite the acute banking crisis impacting countries around the world, which we touch on below, quality fundamentals appeared to be, once again, rewarded in March.

What do we mean by quality fundamentals? We primarily are referring to businesses that have competitive advantages that allow them to generate high-quality, underlying earnings per share growth. And, by high-quality earnings growth, we mean earnings growth manifesting from organic sales and often margin expansion that come from cost efficiencies and economies of scale. Other earmarks of quality, to us, are high returns on capital and strong balance sheets. These aspects of what we define as quality make up our criteria for investment candidates.

Quality fundamentals tended to not be rewarded in 2022, with price multiples falling by over 30% for many of what see as the highest-quality businesses, despite them being able to generate solid earnings growth. During the first quarter of 2023, the market witnessed many of our companies continuing to generate the outsized underlying earnings growth we anticipated. In contrast to 2022, the stocks of these businesses were rewarded, driving outperformance. We tend to perform best during periods where fundamentals are recognized in returns. More depressed or exuberant environments, where stocks move largely based on sentiment, tend to be periods where our relative performance can be less predictable. For long-term business owners like ourselves, we expect fundamentals to outweigh sentiment over time.

Turmoil in the global banking sector served as a reminder as to why we tend to not invest in traditional, commoditized banks. In fact, we have never invested in a bank in the history of the Portfolio. Banking is an important service for societies around the world, but one important aspect of its business model has kept us out of the industry since our firm's founding in 1989.

Receiving deposits and then investing those very same deposits creates an inherent risk of a timing mismatch should depositors suddenly demand their money back. When this timing mismatch is combined with the use of this leverage to achieve returns, banks runs are always a possibility. If history is a guide – especially recent history – runs are highly probably at some point over long periods of time. They also tend to be quite unpredictable. Evidence of this unpredictability lies in the fact that First Republic received a "clean bill of health" from its auditors just days before the crisis set in.

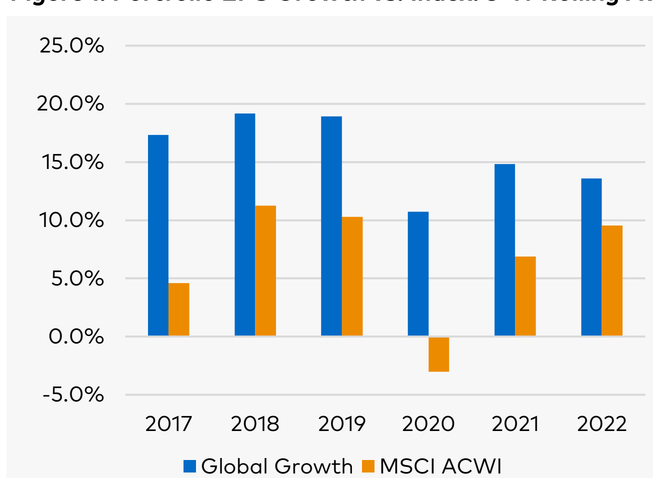
Credit Suisse's demise highlights that this was not just a U.S.-centric issue nor a smaller-regional-bank issue. We have a long history of avoiding situations where a small chance of permanent loss of capital exists, and we will maintain this avoidant posture as long as we are managing your money. While new regulations and technological innovations may come to the banking sector, human behavior changes at a glacial pace. Not owning banks contributed roughly 70-75 bps to our relative outperformance this quarter.

Geographically, we were pleased to see China continue to reopen its economy. While we do not have any direct investment in Chinese-domiciled companies, this reopening boosts sales for many of our globally dominant and scaled holdings. That said, we do remain highly aware of the simmering tensions between the U.S. and China.

Our overarching goal for the Global Growth Portfolio is to construct a portfolio that is comprised of the highest-quality, most competitively advantaged businesses around the globe. Our aim for the aggregate of these businesses is for them to collectively generate roughly mid-teens underlying earnings per share over long periods of time. We believe that if we purchase these businesses at fair prices, over time, the stock prices, and thus, your returns, will approximately match the earnings growth of the Portfolio.

While it has been a volatile eight years since the inception of Global Growth, which included a global pandemic, we are on track and meeting this goal from an underlying earnings growth perspective. As depicted in Figure 1, the three-year rolling average earnings per share (EPS) growth at the end of 2022 is near 15%, compared to roughly 10% for the Index. We've also seen consistent double-digit earnings per share growth through challenging periods, which cannot be said for the Index.

Figure 1: Portfolio EPS Growth vs. Index: 3-Yr Rolling Avg[1]



[1] Sources: Polen Capital, Bloomberg. Earnings per share (EPS) methodology for Global Growth is consistent with EPS growth methodology for other index providers. Please contact Polen Capital for more details. There is no guarantee that performance will follow earnings growth. Please see Disclosures page for additional information.

We have achieved this earnings growth by executing on our disciplined process that was established over three decades ago. Notably, in three of the past eight years the Index has delivered negative returns.[2] The 277 bps of annualized alpha, net of fees, the Portfolio has generated since inception can be largely explained by this high-quality underlying earnings growth generation. We will not waiver on this goal going forward, as we believe it creates wealth over time.

Portfolio Performance & Attribution

Both on an absolute and a relative basis, the top three contributors during the quarter were **Align Technology**, **Microsoft** and **SAP** and the leading absolute detractors that we own were **Abbott Laboratories**, **ADP** and **CSL**. Our top relative detractors, inclusive of what we don't own, however, were **Apple**, **NVIDIA**, and **Abbott Laboratories.**

Align Technology had a difficult 2022 as it lapped extremely high prior year comparables. The company delivered a steady quarter recently, and the business continues to deliver as expected. On a three-year basis, Align has grown case shipments over 15% and net revenues at 16%. The pandemic has given the company a chance to highlight its benefits relative to wires and brackets, and doctors are responding. Recently, Align disclosed that the Invisalign treatment allows patients to go through the orthodontia process five months faster than braces, with roughly 35% fewer visits to a doctor. While Align continues to stay ahead of clear aligner competition through sales, marketing, and R&D, research indicates that the real fight is against braces, and we believe it is better positioned than ever to win market share.

Microsoft's fundamentals have largely stayed intact despite the headwinds many technology companies are facing due to the macroeconomic environment. While growth has decelerated below our longer-term target (we expect low-double-digit revenue growth over the next 3-5 years), we believe the deceleration should prove to be ephemeral. Azure and Office Commercial remain bright spots, while Windows OEM has been and will continue to be a drag over the next few quarters. With respect to Azure, even at a decelerated rate, the business continues to grow well. After eight consecutive quarters of Azure's top line growth being in the mid-to-high-40s range, over the last two quarters, growth has been 42% and 38%, respectively. Microsoft is a scaled business with multiple and interlocking competitive advantages, and we believe the company will compound at high rates for a long period of time.

SAP has a long-term vision for a cloud transition, and this strategy is beginning to bear fruit. The cloud backlog and cloud sales are both accelerating, as well as margins inflecting higher in the most recent quarter. It appears that the company is past the tipping point with respect to the transition, and we believe the growth is proving to be durable, despite the macroeconomic environment.

[2] 2015, 2018 and 2022.

SAP is trading at a fair price, according to our analysis, while offering mission-critical software products with >80% recurring revenue.

We think the company can grow free cash flow per share in the mid-teens. even in a tough environment.

Not owning **Apple** and **NVIDIA** detracted from our relative performance. With respect to Apple, we have not felt that the combination of growth available and the valuation made for one of our best ideas. Concerning NVIDIA, while there seems to be strong demand for data center chips, the valuation and lack of clarity around pace and magnitude of that growth has kept us at bay to date.

As stated below in the portfolio activity section, **Abbott Laboratories** is expected to see roughly $6 billion in COVID test sales evaporate this year, creating a headwind for margins and underlying earnings per share. As long-term owners of the business, these test sales were never part of our original investment case. The core business, our primary focus, has a clear path of growing high single digits in 2023 with durable growth beyond, in our view. We believe the current price of 23x NTM P/E , while reasonable, is also misleading considering earnings this year will be artificially depressed because of the drop in COVID testing sales. On normalized earnings, the price is lower. We anticipate underlying EPS growth of at least low-teens over the next three to five years.

Portfolio Activity

After a busier than usual fourth quarter, activity returned to a more normal level for us during the first quarter. This is partly because we are so confident in the current state of the Portfolio. This quarter consisted of only adding and trimming current positions, which included adding to **Amazon** and **Thermo Fisher Scientific** and trimming weights in **Mastercard**, **Visa**, and **Abbott Laboratories**.

We raised our position in **Amazon**. During 2022, Amazon's business experienced revenue deceleration from pre-pandemic levels combined with higher expenses resulting from inflation pressures as well as costs in their fulfillment segment. The fulfillment costs were set in motion during the pandemic when demand overwhelmed their network. More recently, AWS – along with Azure and GCP – experienced a deceleration in growth as customers globally feel pressure to optimize their usage in this tough macroeconomic environment. We don't expect this deceleration to persist for the long-term given the secular trend of companies transitioning to the cloud.

For long-term investors, we believe this combination provides an opportunity and that Amazon is now poised to re-accelerate revenue growth, of which we are already seeing signs, while expanding margins and free cash flow. With respect to margins, given the fast growth in AWS and advertising, the latter generating almost $40 Billion in sales and growing at greater than 30% recently, the resulting mix-shift could result in operating margins of 10% or higher over time. This level would represent a 5x increase over 2022 levels. In sum, we are capitalizing on what we believe is arguably one of the most competitively advantaged business in the world, which is growing well, poised to accelerate that growth and expand margins, and is trading at an attractive price.

During the quarter, we also raised our position in **Thermo Fisher Scientific.** The company effectively sells pickaxes and shovels to the life sciences industry, is well balanced, is durable, and has a strong management team at the helm. We took an initial position recently and are now raising it to an average weight within the Portfolio. During the most recent quarter, the company grew revenue 11% in constant currency. Core organic growth, excluding COVID-19 testing revenue which fell 16%, grew a very strong 13%. This company plays an important role within the Portfolio as a "safety" within our growth spectrum approach and over the next five years we expect EBITDA and EPS to grow at roughly low double digits and low teens, respectively.

We trimmed **Mastercard** and **Visa** to equal weights of the Portfolio. Mastercard and Visa operate as a duopoly in a large and growing market. Over the last 50 years, global personal consumer expenditures (PCE) has grown 7-9% annualized. We expect 4-5% long-term PCE growth going forward. Additionally, the shift from cash to credit continues unabated, with a total credit penetration of only approximately 50% globally.[3] This shift provides Visa and Mastercard with another ~4-6% of growth. When combined with PCE, this gives both companies high-single-digit to low-double-digit revenue growth opportunities. This growth estimate is before accounting for growth amplifiers like the acceleration of e-commerce, the shift from offline to online, and additional services. Both companies enjoy extremely strong network effects that provide strong competitive advantages.

We have trimmed Visa and Mastercard because their combined weight grew to over 12% of the Global Growth Portfolio because of their recent performance and to fund our increase in Amazon's position size. We added to both positions when their prices were depressed due to cross-border transactions deteriorating materially from the pandemic. Cross-border volumes came roaring back when travel corridors reopened, and although we are several quarters removed from the cross-border nadir, Visa still grew volumes >30% in 1Q23. Total cross-border volumes are now 132% of 2019 levels. At 4.5% each, both companies remain high conviction positions for Global Growth.

Lastly, we trimmed **Abbott Laboratories**, bringing it back to a more average position size and to also fund our increase in Thermo Fisher. Abbott is entering a year in which the company is expected to see approximately $6bn in COVID-19 test sales disappear, thus, creating a headwind for margins and EPS. That said, the core business has a clear path to growing high single digits in FY23. EPS grew at a 20% CAGR from 2019-2022, far beyond our expectations when we initiated our investment. Now, we expect a more normal growth rate of low teens EPS beyond this year. Further, management's adeptness at allocating capital continues to impress us. We expect Abbott to drive top line growth without heavily investing in R&D and SG&A this year—management effectively "front-loaded" those investments in 2021 and 2022 when COVID test sales created a bolus of cash. We believe this should allow for leverage on the operating margin going forward. Combined, Abbott and Thermo Fisher now represent 7% of the Portfolio.

Outlook

We are always pleased to be in markets where fundamentals matter as opposed to those driven by extreme emotions that can create wide gaps between businesses and their stocks. While it is too early to tell, we appreciate that the first quarter was generally driven by fundamentals. Going forward, markets are still in a position to be heavily influenced by central bank activity, and we do not pretend to know what that activity is likely to be. That said, we are confident in the current Portfolio and note that, due to 2022, our companies are trading at very reasonable prices.

Thank you for your continued interest in Polen Capital and the Global Growth strategy.

Sincerely,
Damon Ficklin and Jeff Mueller

Experience in High Quality Growth Investing

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

Jeff Mueller
Portfolio Manager & Analyst
10 years of experience

[3] Source: World Bank, 2021.

Definitions: Forward NTM P/E = forward next twelve months price-to-earnings ratio. CAGR = compounded annual growth rate. The calculation methodology for CAGR is as follows: $[(1+\%\text{ Change in P/E Multiple})*[(1+\text{EPS CAGR})^t]^{1/t}$. EBITDA = earnings before interest, taxes, depreciation and amortization. It is a widely used metric to evaluate a company's financial performance

GIPS Report

Polen Capital Management
Global Growth Composite—GIPS Composite Report

		UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation[1]	
Year End	Total ($Millions)	Assets ($Millions)	Assets ($Millions)	U.S. Dollars ($Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	MSCI ACWI (%)	Composite Dispersion (%)	Polen Gross (%)	MSCI ACWI (%)
2022	48,143	18,053	36,959	507.47	7	-30.53	-31.39	-18.35	0.0	20.39	19.86
2021	82,789	28,884	53,905	138.08	7	17.90	17.07	18.54	0.6	15.08	16.84
2020	59,161	20,662	38,499	39.14	3	25.01	24.13	16.27	N/A	16.16	18.13
2019	34,784	12,681	22,104	6.50	2	37.37	36.35	26.60	N/A	12.10	11.22
2018	20,591	7,862	12,729	4.77	2	3.14	2.22	-9.41	N/A	11.50	10.47
2017	17,422	6,957	10,466	4.16	2	32.66	31.55	23.96	N/A	10.12	10.36
2016	11,251	4,697	6,554	0.33	1	1.21	0.34	7.86	N/A	N/A	N/A
2015	7,451	2,125	5,326	0.33	1	10.07	9.14	-2.36	N/A	N/A	N/A

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

	1 Yr	5 Yr	10 Yr	Inception
Polen Global Growth (Gross)	-30.53	7.73	-	10.00
Polen Global Growth (Net)	-31.39	6.80	-	9.06
MSCI ACWI	-18.35	5.22	-	6.73

[1]A 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.

GIPS Report

The Global Growth Composite created and incepted on January 1, 2015 contains fully discretionary global growth accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI. Prior to October 18, 2016, the benchmark for the Global Growth Composite was the MSCI ACWI variant with gross dividends. As of October 18, 2016, the benchmark was changed retroactively to the MSCI ACWI variant with net dividends, to more accurately reflect the Global Growth Composite's strategy. Effective January 2022, fully discretionary large cap equity accounts managed as part of our Global 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 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 June 30, 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 invests exclusively in equity portfolios consisting of high-quality companies but also has a subsidiary, Polen Capital Credit, LLC, that specializes in high yield securities and special situations investing. 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. 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 85 basis points (0.85%) on the first $50 Million and 65 basis points (0.65%) on all assets above $50 Million of assets under management. HNW: Per annum fees for managing accounts are 160 basis points (1.60%) of the first $500,000 of assets under management and 110 basis points (1.10%) 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 Growth Fund, which is included in the Global Growth Composite, is 85 basis points (.85%). The total annual fund operating expenses are up to 135 basis points (1.35%). As of 4/30/2022, the mutual fund expense ratio goes up to 1.24%. 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 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.

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

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