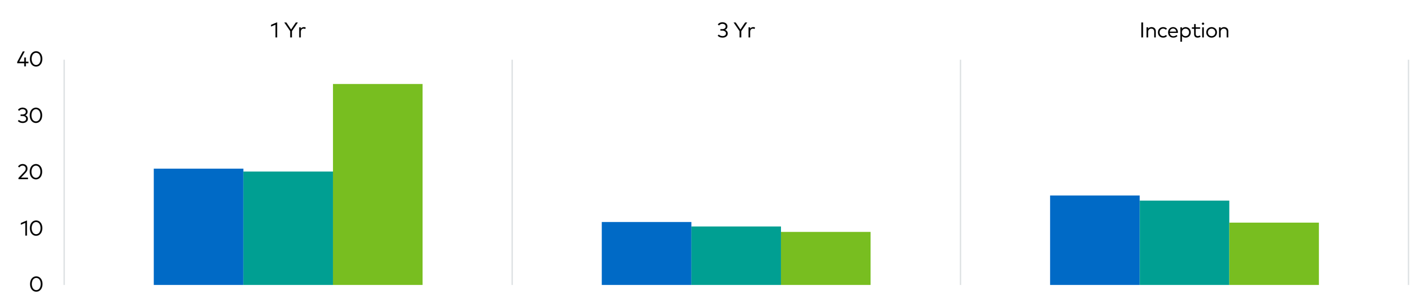
Polen International Growth

Portfolio Manager Commentary – June 2021

Summary

- During the second quarter of 2021, the Polen International Growth Composite Portfolio (the "Portfolio") returned 5.57% gross of fees. The MSCI All Country World Index (ex-US) (the "Index") returned 5.47%.
- Pro-cyclical factors—which contrast the Portfolio's focus on secular, durable growth—drove market returns higher since November 2020 but seemed to subside during the quarter.
- Short-term differences in performance can work either for or against the strategy. That said, our focus remains on positioning the Portfolio for superior long-term earnings growth rather than shorter-term market preferences.
- The Portfolio performed largely in line with the Index. An uptick in regulatory action in China dampened the relative outperformance delivered by other positions in the information technology and consumer discretionary sectors.
- During the quarter, we initiated new positions in ASML, MercadoLibre, and Shopify. We added to our investment in Adidas, and we trimmed our positions in Accenture, CSL, Walmart de Mexico, Bunzl, and Inditex.
- Ultimately, we seek to invest in companies that contribute to consistent earnings growth across market cycles. This philosophy, in our view, results in a Portfolio built to compound earnings growth faster than the Index.

Seeks Growth & Capital Preservation (Performance (%) as of 06-30-2021)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	Inception
Polen International Growth (Gross)	5.57	4.36	20.66	11.19	-	15.87
Polen International Growth (Net)	5.46	4.16	20.14	10.40	-	15.00
MSCI ACWI (ex-USA)	5.47	9.16	35.71	9.38	-	11.04

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. 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.

Commentary

During the second quarter of 2021, the Polen International Growth Portfolio ("the Portfolio") returned 5.57% gross of fees, and the MSCI All Country World Index (ex-US) (the "Index") returned 5.47%. Pro-cyclical factors—which contrast the Portfolio's focus on secular, durable growth—drove market returns higher since November 2020 but seemed to subside during the quarter. The Portfolio performed largely in line with the Index. An uptick in regulatory action in China, which we later cover in more detail, dampened the relative outperformance delivered by other positions in the information technology and consumer discretionary sectors.

It is typical to see differential performance between the Portfolio and its Index, given their stark differences in composition. Short-term differences in performance can work either for or against the strategy. That said, our focus remains on positioning the Portfolio for superior long-term earnings growth rather than shorter-term market preferences. To that end, we added three new companies to the Portfolio during the quarter that we believe further enhances forward-looking growth prospects.

Polen's enduring philosophy drives our long-term focus and prompts us to look past short-term noise.

Portfolio Performance & Attribution

During the second quarter, the leading absolute contributors to performance were **Adidas**, **Louis Vuitton Moet Hennessey**, and **SAP**.

Shares of **Adidas**, the German athletic footwear and apparel maker, outperformed in the quarter as the company's recently announced "Own the Game" strategy rolled out globally. This plan will leverage Adidas' digitalization capabilities and innovation. In last quarter's commentary, we discussed the potential impact increasing digitalization and customer connectivity can have on Adidas in the coming years. On product innovation, a robust product pipeline has helped drive strong growth across categories. Management optimism about the pipeline is a sign that recent trends could continue. Innovation runs the gamut from sustainable or recyclable materials to high performance footwear. A steady stream of new product launches, called activations, evenly spaced out across a calendar year has drawn digitally connected consumers to check in and stay abreast of the latest developments. This connectivity is further supported by steady spending on marketing and endorsements. Together, these drivers delivered strong brand momentum across the business as sales grew.

Margins have nearly fully recovered to pre-pandemic levels, and near-term results indicate to us that Adidas is continuing to recover from the pandemic impact a year ago. We remain focused on the next five years and applaud management for navigating a tough environment while simultaneously putting a strategy in place for 2025. We believe Adidas could grow earnings at a high teens rate from 2021-2025 after normalizing from the extremes of COVID-19.

Paris-headquartered luxury goods maker **Louis Vuitton Moet Hennessy** (LVMH) delivered favorable financial results during the past quarter. Although rolling coronavirus lockdowns continued into 2021 and kept numerous LVMH stores closed, these results indicate to us that the pandemic's impact is passing. Strength in numerous categories from Fashion and Leather goods to Wines and Spirits and across continents imply, in our opinion, a broad-based recovery in demand for luxury goods. In high fashion, both Louis Vuitton and Christian Dior maintained their leadership, which we believe suggests that the largest luxury brands are continuing to take market share from smaller competitors. Tiffany is showing a promising start to the year, but management cautioned that turning this recently acquired business around would take "years, not quarters." E-commerce continues to power results during lockdowns. Despite recent strength, online LVMH management believes luxury shopping will be an omnichannel experience, with discovery happening online but purchases happening in stores. We think LVMH is poised to continue growing its total returns to shareholders at a low double-digit rate over the coming five years.

German enterprise software company **SAP** was a leading contributor to Portfolio returns in the quarter. Over the last six months, SAP rolled out a new simplified commercial offering aimed at making it easier for their customers to transition their core enterprise resource planning software to the cloud. "Rise with SAP" will encourage customers to consider moving certain workloads to new cloud-enabled software. In many cases, SAP customers standardized business processes on SAP software over decades. Contemplating and enacting transformational change is a huge undertaking for these customers. Historically, transitioning to the cloud involves many third-party helpers, so having a single, trusted partner to lead the conversation, design the road map, and own the execution is helpful. Further, as customers shift to the cloud, more peripheral workloads can be handled by SAP, thereby potentially increasing the scale of its relationship with certain customers. Not all legacy customers will adopt SAP's cloud software, but there could be meaningful performance benefits (quicker innovation, more agility, and mobility, etc.) and cost savings for those that do.

In addition, new customers are coming aboard the SAP cloud platform, which we view as a testament to its leading capabilities. This initiative could drive cloud software revenue growth greater than 20% in the coming years, some of which will cannibalize existing on-premise software sales. That said, the potential net result is attractive and durable growth. We think SAP is capable of double-digit earnings growth over the coming five-year period.

The leading absolute detractors from performance for the second quarter were **New Oriental Education**, **Tencent**, and **Amadeus IT Group**.

Shares of China-based after-school tutoring company **New Oriental Education** declined in the quarter. In our view, New Oriental's competitive advantage stems from its brand strength, which is synonymous with teaching content, teacher quality, and the largest network of tutoring centers in China.

Communist Party leadership recently flagged the pressure exerted on Chinese youth, voicing an aim to reduce after-school homework and time spent with tutors. New Oriental Education shares moved lower as news of regulatory changes trickled into the market.

On a related note, China uses standardized tests to determine student placement into high school and college. The importance of these tests on a student's career path is hard to overstate, and students spend significant time outside school preparing for these exams. These tests seem unlikely to be banned. As such, parents could continue seeking ways to improve their children's chances of success on tests. Complete prohibitions on test prep seem unlikely and would force parents to seek tutoring in one-on-one settings, but restrictions on times allowed for tutoring are possible. As we write this letter, no formal central government policy has been announced.

Our belief is that increasing government scrutiny stems from a rush over the last two years of early-stage, online-only tutoring companies vying for market share, which they have pursued by aggressively advertising for parents to enroll their children in tutoring services. Some of these companies offered poor teaching content and services. We reasoned last quarter that New Oriental could sidestep policy changes since its business leans heavily on brick-and-mortar schoolhouses and less on the digital ad and internet-based model. It now looks like the whole tutoring space could be impacted.

We have seen examples of regulatory changes to an industry benefitting incumbent leaders. We do not know if that will prove true here and note that restrictions on digital advertising support those incumbents with brand resonance like New Oriental. Without tangible policy information, we do not want to speculate on what the industry will look like. However, we continue to believe New Oriental is competitively advantaged and offers a high-demand service in a large and growing market. When and if official policy changes, we will be able to better judge New Oriental's growth trajectory.

Chinese communications platform **Tencent** detracted during the quarter. As a leading consumer internet company in China, Tencent is also dealing with regulatory reviews. Uncertainty around the scope of regulatory changes seemed to weigh on investor sentiment.

> **Tencent's platform is a central hub for more than one billion people. Its reach spans far beyond gaming, social media, entertainment content, and payments.**

Expanding platform capabilities to support Chinese small businesses with cloud computing and enterprise software applications are but one example of a new direction. Payments are an area where we expect that continued penetration of consumer finance will support ongoing growth. Wealth management and consumer lending are areas where the payments platform typically sees steady growth. In recent calls, management noted that Tencent fully complies with existing regulation and conservatively manages the non-payments side of its financial products offerings–an area of regulatory scrutiny. We do not know exactly how changes will play out but applaud management's conservatism and humility. The scope of services Tencent offers users drives our confidence in the company's ability to compound earnings at a 20% rate over the coming five years.

Spanish travel technology company **Amadeus IT Group** was also laggard in the quarter. Amadeus manages a global distribution system that connects airlines with travel agents that book multi-legged trips across carriers for end users. The company also sells industry-specific software to help travel and tourism operators—airlines, airports, and hotel franchises—run more efficiently. The business continues to recover sharply from the negative impacts of COVID-19. The International Air Transport Association, an industry trade group, recently increased its expectations for the strength of the recovery in airline bookings, and Amadeus should remain a beneficiary.

From a financial standpoint, the company managed through the pandemic well, shoring up its balance sheet and sharply reducing its expense burden. Despite a very challenging market environment, Amadeus's services and software continue to gain adoption by travel operators across the board. Management's responses to the crisis and attractive execution in the software segment, we think, position the company well when compared to peers as the recovery gains steam.

We believe the sharp rotation away from cyclically oriented stocks may be a cause for the stock's performance in the quarter. From November 2020's vaccine announcements until the value pivot noted in the second quarter, airlines and travel-related companies generally benefitted from investor interest on hopes of a strong reopening. That enthusiasm has waned in recent weeks. Despite this short-term noise, we feel Amadeus is poised to grow its earnings at a 30% rate in the coming years.

Portfolio Activity

During the quarter, we added three new companies to the Portfolio: **ASML**, **Shopify**, and **MercadoLibre**. We added to our investment in **Adidas** and trimmed positions in **Accenture**, **CSL**, **Walmart de Mexico**, **Bunzl**, and **Inditex**. We feel the prospects for all companies listed here remain strong. The trims noted reflect decisions to allocate capital to opportunities that we view as compelling growth prospects. In aggregate, we think these changes increase the Portfolio's expected earnings growth rate.

Dutch technology company **ASML** is the world's only supplier of photolithography systems to leading-edge semiconductor manufacturers. It is a gross simplification and a valid point to note that ASML's technology enables the computing technology we use today. For years, ASML engineers bent the laws of physics and enabled Moore's Law—which states that computer chips will become faster and cost less—to progress.

ASML's monopolistic position developed this century as it continually outspent competitors on research and development.

Incremental innovation gains mushroomed with the rollout of Extreme Ultraviolet (EUV) technology. We were impressed by management's recent acknowledgment that demand for ASML's lithography systems is exceeding their prior expectations. Recent announcements by management and major customers for ASML give us even more confidence in the sustainability of growth. We believe ASML could grow its earnings at a high-teens rate over the coming five years.

Shopify, a Canadian software company, enables merchants and entrepreneurs to run their operations efficiently. We like the focus Shopify brings to merchants. Its products allow merchants to set up an online store, manage inventory, interact with customers, accept payments, and monitor the flow of goods through various distribution channels in one centralized dashboard. Though it offers mission-critical capabilities, Shopify subtly operates in the background while allowing merchants to interact with customers.

As the world increasingly sees direct-to-consumer interactions take flight, both nascent and established brands are adopting Shopify. Today, nearly two million businesses utilize Shopify to sell more than $150 billion in merchandise across the platform. We think these numbers can grow significantly from here. Further, newer product categories like lending and fulfillment (along with a litany of other future merchant pain points we think Shopify can help solve) coupled with higher attach rates for payments could drive higher monetization of a growing user base in the coming five years. We believe Shopify can grow its earnings power at a 30% rate for the coming five years.

Argentina-based **MercadoLibre** operates Latin America's leading e-commerce website and digital wallet. Both e-commerce and consumer finance are underpenetrated among the nearly 400 million citizens living in the company's three largest markets: Brazil, Argentina, and Mexico.

MercadoLibre's digitally native solution gives more than 70 million users an easy access point for both online shopping and a digital wallet.

From humble beginnings as a third-party marketplace, MercadoLibre's management built the business over the last twenty years by steadily expanding the platform's reach with new services to suit both merchants and consumers. Today's offerings include financing capabilities for buyers and sellers, logistics, loyalty programs, classifieds listings, and grocery items. We think MercadoLibre can compound earnings at a 25% rate for the next five years.

The addition to our position in **Adidas** (discussed in the prior section) was funded by a trim of **Inditex**. We feel the move offers superior growth potential, and the stocks were trading at similar valuations.

Outlook

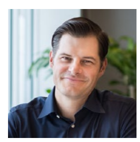
Market fluctuations can either work for or against the Portfolio in the short term. Rather than trying to predict the timing of these events or cycles, we focus our efforts on understanding and identifying durable growth companies. Ultimately, we seek to invest in companies that contribute to consistent earnings growth across market cycles. This philosophy, in our view, results in a Portfolio built to compound earnings growth faster than the Index. We believe this approach best positions the Portfolio for the long term and will continue to serve our clients well, just as it has for over 30 years.

Thank you for your interest in Polen Capital and the International Growth strategy. Please feel free to contact us with any questions or comments.

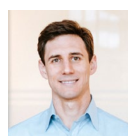
Sincerely,

Todd Morris & Daniel Fields

Experience in High Quality Growth Investing



Todd Morris
Portfolio Manager & Analyst
11 years of experience



Daniel Fields, CFA
Portfolio Manager & Analyst
14 years of experience

GIPS Report

Polen Capital Management
International Growth Composite—GIPS Composite Report

		UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation	
Year End	**Total ($Millions)**	**Assets ($Millions)**	**Assets ($Millions)**	**U.S. Dollars ($Millions)**	**Number of Accounts**	**Composite Gross (%)**	**Composite Net (%)**	**MSCI ACWI ex USA (%)**	**Composite Dispersion (%)**	**Polen Gross (%)**	**MSCI ACWI ex USA (%)**
2020	59,161	20,662	38,499	54.63	2	12.75	12.02	10.66	N/A	14.55	17.94
2019	34,784	12,681	22,104	0.41	1	27.88	26.81	21.50	N/A	10.92	11.34
2018	20,591	7,862	12,729	0.32	1	-4.60	-5.42	-14.19	N/A	N/A	N/A
2017	17,422	6,957	10,466	0.34	1	35.06	33.94	27.19	N/A	N/A	N/A

[1]A 3 Year Standard Deviation is not available for 2017 and 2018 due to 36 monthly returns are not available. 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 International Growth Composite created and incepted on January 1, 2017 contains fully discretionary international growth accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI (ex-USA). The accounts are highly concentrated and unconstrained with regard to the number of the highest-conviction positions (i.e., positions of greater than 5%) comprising the portfolios. Polen Capital invests exclusively in a portfolio of high-quality companies.

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, 2020. 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. 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.

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 actual management fees. 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 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.

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. 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 (ex-USA) Index is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world (excluding the United States). The MSCI ACWI (ex-USA) is maintained by Morgan Stanley Capital International and is comprised of stocks from both developed and emerging markets.

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