Polen International Small Company Growth

Portfolio Manager Commentary – March 2021

Summary

- During the first quarter of 2021, the Polen International Small Company Growth Composite Portfolio (the "Portfolio") returned -2.03% gross of fees versus 5.53% for the MSCI ACWI ex-USA Small Capitalization Index (the "Index").

- Since its inception on January 2, 2019, the Portfolio has returned 26.43% gross of fees per annum, versus the Index return of 18.90%, outperforming by 7.53%.

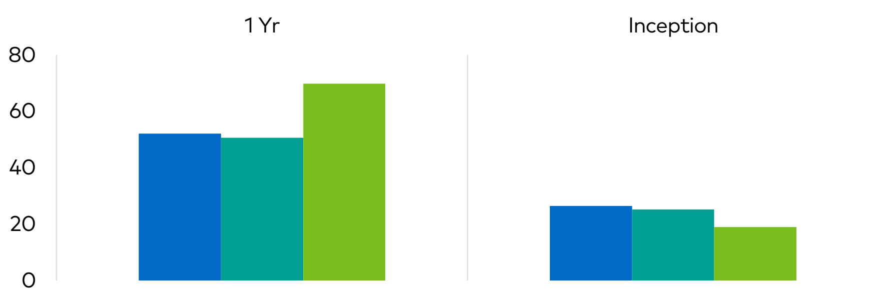
- Cyclical and lower quality companies, those with high debt and low profitability, generally have recovered sharply since late last year.

- Meanwhile, high quality companies, like the ones we seek, have generally underperformed on a relative basis.

- We initiated positions in Smaregi and Cybozu and added to Koh Young Technology. We exited positions in Rightmove, M Dias Branco, Sanne Group, and Morneau Shepell.

- Our long-term earnings forecast for our owned companies exceeds 20% per annum.

Seeks Growth & Capital Preservation (Performance (%) as of 03-31-2021)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	Inception
International Small Company Growth (Gross)	-2.03	-2.03	52.07	-	-	26.43
International Small Company Growth (Net)	-2.27	-2.27	50.58	-	-	25.19
MSCI ACWI Ex-US Small Cap Net	5.53	5.53	69.83	-	-	18.90

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 first quarter of 2021, the Polen International Small Company Growth Composite Portfolio (the "Portfolio") returned -2.03% gross of fees versus 5.53% for the MSCI ACWI ex-USA Small Capitalization Index (the "Index"). Since its inception on January 2, 2019, the Portfolio has returned 26.43% gross of fees per annum, versus the Index return of 18.90%, outperforming by 7.53%.

The Portfolio's underperformance during the quarter was largely driven by our style, which was out of favor during the past several months. Cyclical and lower quality companies, those with high debt and low profitability, generally have recovered sharply since late last year. Meanwhile, high quality companies, like the ones we seek, generally have underperformed on a relative basis.

Given the encouraging news about vaccinations and economies more fully re-opening, we are not surprised to see this type of near-term 'recovery trade.' In previous economic downturns, we have witnessed similar scenarios—sharp recoveries in lower quality companies, many that were the most negatively affected. Predicting the timing, magnitude, and duration of short-term market trends is not where we believe our skill sets lie. Nor do we believe that 'timing the market' is the best path to providing outperformance for our clients over the long term. Instead, we focus on identifying and owning the highest quality companies that we believe can compound their value for many years to come.

We have an investment time horizon of approximately five years. We believe this longer-term mindset allows us to think and act like business owners. We evaluate these businesses and their leaders on the basis of what they have done and can continue to do over multiple years, not months.

Each company we own must meet our high hurdles for how we define high quality, which we call our Investment Flywheel. This flywheel framework seeks to ensure that we own companies with the following traits:

The flywheel is a virtuous cycle, whereby the pieces work in concert with one another.

This allows a business to sustainably compound value at attractive rates, in our view. We also have an absolute return mentality and seek at least a mid-teens rate of return for any investment we make.

The companies in the Portfolio, based on our research, have navigated a remarkably complex and challenging period while also continuing to compound their value at attractive rates. We believe these companies will emerge from the pandemic in a stronger competitive position than before. The Portfolio owns companies that we believe are both benefitting from and leading multi-year secular trends. These trends include the switch from offline to online, cashless payments, and improving the well-being needs of aging populations globally. These trends have accelerated during the past year, and our research indicates that our companies continue to invest and lead the way.

Success in any endeavor requires focusing on what matters most.

To us, that means always seeking to own the best businesses that can deliver outstanding performance for our clients over the long term.

We believe our way of investing will yield superior performance. However, we recognize that, at times, our approach may be out of favor. We are comfortable with this dynamic, and it does not impact how we invest nor our optimism about the long-term prospects of the Portfolio companies.

Portfolio Performance & Attribution

Globally, markets were largely up in the first quarter of 2021, with some notable exceptions, including Brazil and China. Style and sector were the primary factors that drove relative performance during the quarter. In fact, style in the first quarter was the most pronounced headwind of any quarter since the Portfolio's inception. Style drove relative underperformance as quality and growth were out of favor while cyclical stocks were in favor.

Sector performance reflects a similar trend as generally those with the most exposure to growth and quality were out of favor. More specifically, information technology, communication services, and healthcare underperformed. These three sectors account for 75% of the Portfolio's weighting, and our large allocation detracted from returns.

Energy, financials, and industrials were the strongest performing sectors from a total return perspective, highlighting the confluence of the pronounced style effect. We tend to avoid businesses in commodity and interest rate-oriented industries such as these, which was a headwind this quarter. As a reminder, these businesses rarely fit our flywheel framework or our five guardrails, which are focused on the quality and durability of long-term compounding. When we do own companies in these sectors, they tend to be exceptions to the industry norm and technology oriented.

For the quarter, stock selection and currency contributed to relative performance. Stock selection modestly added value, while foreign exchange contributed approximately 50 basis points in the first quarter. As a reminder, we do not hedge currency.

Geography was not a meaningful driver of performance during the quarter. In terms of general geographic exposure, we believe the best metric to highlight is the revenue distribution of our companies by region. As of March 31, 2021, Europe accounts for approximately 41% of the Portfolio's revenue, the Americas 25%, Asia 30%, and Africa and the Middle East 1%. The Index derived 24% of its revenue from emerging markets compared to just 17% for the Portfolio. This is not a top-down decision but rather an outcome of our bottom-up investment process that seeks to own the best businesses globally.

Absolute contributors to the Portfolio during the first quarter of 2021 were **Altus Group** and **HomeServe**.

Altus Group was the top contributor in the quarter, with the stock price increasing 25%. Altus is a leading integrated software, data analytics, and consulting services provider to the commercial real estate (CRE) industry. More recently, Altus began transitioning its industry-leading CRE software to the cloud. Traction on this initiative accelerated throughout the beginning of this year, which included cloud transitions of two of its largest clients. Altus has also announced an expanded partnership with a leading software provider to the investment and property management industry. Finally, the company recently announced a strategic acquisition that potentially expands its total addressable market by 50%. Altus is viewed as an important partner by its clients, and we believe these strategic initiatives will continue to strengthen its competitive position. We remain confident in Altus's ability to compound its intrinsic value at an attractive rate going forward.

HomeServe was also a top contributor in the quarter, with the stock price increasing 18%. HomeServe is a UK-headquartered provider of home emergency and repair services that has developed an online marketplace to connect homeowners with tradespeople. The business model seeks to lower costs and friction by allowing high quality pre-screened tradespeople to reach homeowners. HomeServe's business has faced headwinds during the pandemic due to restrictions related to repeated lockdowns. However, the company continues to grow organically while using its cash flows to make tuck-in acquisitions to further bolster its growing HVAC business. We think management is doing all the right things, and we expect the company to emerge from the pandemic even stronger.

The two leading Portfolio detractors during the first quarter were **CTS Eventim** and **CompuGroup Medical**.

CTS Eventim declined about 13% in the past quarter. The company is a global leader in ticketing and live events, and over the near term, it has been negatively impacted by the pandemic. Not surprisingly, the share price has been volatile throughout the pandemic, and, in fact, it was a top contributor last quarter. We continue to like the company because of its long-term prospects as a driver of the secular trend toward online ticket sales for live events. CTS had an already dominant position in many European countries, like Germany, Italy, Switzerland, and Austria. Our research indicates that it is in a more favorable financial position than competitors.

We believe CTS will be even more dominant when demand for live events returns.

Over the past year, we think the company has further entrenched its position by signing partnerships, acquiring agencies, and expanding geographically with a recent joint venture in Israel.

CompuGroup Medical declined 12% in the quarter. CompuGroup is a leading provider of electronic health records, video consulting, and e-prescriptions in Western Europe. Last quarter, management announced plans to increase investment over the next year, which is expected to lower margins in the short term. Although investors with a shorter investment horizon may view the announcement as a negative, our research suggests that this will accelerate growth in intrinsic value and, therefore, our expected returns in the long run. We believe CompuGroup has an attractive market position, leading technology, and is well-positioned to lead the ongoing trend towards increased digitalization in health care for both professionals and patients.

Portfolio Activity

During the first quarter of 2021, we initiated new positions in **Smaregi** and **Cybozu** and added to our position in **Koh Young**. To fund these purchases, we exited four positions, including **Rightmove**, **M Dias Branco**, **Sanne Group**, and **Morneau Shepell**.

All Portfolio companies and new positions must fit into our flywheel framework.

We believe this framework allows our companies to innovate, experiment, and compound value when market environments are favorable. It also gives us confidence that the Portfolio companies invest in getting stronger during turbulent times, like the last twelve months.

For each business we own, the flywheel can spin faster or slower depending on changing market dynamics, management decisions, and execution across the organization. For each new company we add, we extensively analyze and evaluate the strength of each flywheel component. We believe that **Smaregi** and **Cybozu** are both classic examples of high quality companies whose flywheels could spin materially faster over the next few years.

Smaregi is a Japanese provider of innovative, cloud-based point-of-sale (POS) systems. The company provides low-priced, high-functionality solutions like real-time sales analysis and sophisticated inventory management. These solutions seek to make Smaregi's customers more efficient and provide key insights, data, and analytics.

Increasingly, our research shows that consumers globally are drifting away from cash. Smaregi is benefitting from and helping to lead this secular shift towards cashless payments amongst smaller Japanese businesses. By focusing its efforts on underserviced midsized retailers (defined as having between 2-39 stores), Smaregi has no credible competitors today, based on our research.

Its long-term goal is to grow its market share from roughly 3% to approximately 40%. Roughly half of the company's sales and 70% of gross profit come from recurring monthly fees that customers pay for its cloud services. Customer retention for its cloud services is high, with a monthly churn of approximately 1%. The company has no debt and generates abundant free cash flow. We think that the management team has consistently exhibited the right types of behaviors to continually innovate and adapt to drive long-term value creation and the company has attractive optionality as demonstrated by other successful global POS system operators. For these reasons, we believe the company can compound its value at high rates for a prolonged period of time.

Cybozu is the number one groupware solutions provider in Japan, with over 9 million users across 70,000 companies. Its low-cost, cloud-based solutions enable increased collaboration, communication, and workflow optimization across numerous types of private and public organizations. The company has leading market share in Japan with a 25-year operating history. We think its solutions, tailor-made for the Japanese workforce, provide an attractive value proposition and high customer satisfaction. Its Kintone workflow and database application (think a giant whiteboard that everyone within an organization can view, write on, create reports, update progress, etc.) is entering the Japanese vernacular with individuals saying "Just kintone it" when adding a new business project.

The company benefits from the broad digitalization of the Japanese workforce, work-style reforms, and transition away from paper and fax-based workflows. Like other software-as-a-service (SaaS) providers, Cybozu earns cloud revenue from recurring monthly or yearly subscriptions. We think the company has thoughtfully leveraged indirect sales partners to accelerate broad ecosystem adoption and integration across Japan's white-collar business community. We believe Cybozu's internal culture of innovation, experimentation, and diversity driven by its co-founder/CEO is likely to help attract and retain top talent in a competitive Japanese labor market.

We view our new positions Smaregi and Cybozu and larger weighting in **Koh Young** as more attractive uses of client capital compared to the four exited positions. For **Rightmove**, the longer-term outlook has become less certain to us due to competitive dynamics, and we are less confident in the company's ability to meet our mid-teens IRR target. We sold **Sanne Group** because we have concerns around slowing organic growth and worry that the level of compounding will be more challenged than in the past. We believe both **M Dias Branco** and **Morneau Shepell** remain high quality companies, but we see our two new positions as more compelling investment opportunities.

Outlook

We are highly encouraged by the attractive underlying fundamentals of the companies we own. In our estimation, the potential level of compounding of the Portfolio companies is in excess of 20% per annum over the next five years. This is not recovery earnings but rather the continuation of potential long-standing growth in compelling profit pools. We believe many of the secular trends underlying the Portfolio are not new but accelerating.

The adoption curve's slope has steepened, and the world is changing at an even faster pace. This rate of change provides us with opportunities.

In 2021 and beyond, we will continue to focus on our core competency. Our team will research and ultimately seek to own the best companies we can find globally. We are actively researching companies that are transforming a variety of industries. Regardless of the macro environment or changing preferences of investors, we believe that high quality companies that deliver great results will always be in favor long term.

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

Sincerely,

Rob Forker

Experience in High Quality Growth Investing

Rob Forker
Portfolio Manager & Analyst
20 years of experience

GIPS Report

Polen Capital Management
International Small Company 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 ex USA SmallCap (%)**	**Composite Dispersion (%)**	**Polen Gross (%)**	**MSCI ACWI ex USA SmallCap (%)**
2020	59,161	20,662	38,499	1.73	1	21.10	19.92	14.24	N/A	N/A	N/A
2019	34,784	12,681	22,104	1.43	1	42.80	41.40	22.42	N/A	N/A	N/A

[1]A 3 Year Standard Deviation is not available for 2019 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 Small Company Growth Composite created and incepted on January 2, 2019 contains fully discretionary international small company equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI ex USA Small Cap. 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 June 30, 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 fees and include the reinvestment of all income. Net of fee performance was calculated using actual 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 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.

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 MSCI ACWI ex USA Small Cap 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 Small Cap 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