Polen International Small Company Growth

Portfolio Manager Commentary – September 2020

Summary

- During the third quarter of 2020, the Polen International Small Company Growth Composite Portfolio (the "Portfolio") returned 12.42% gross of fees versus 10.50% for the MSCI ACWI ex-USA Small Capitalization (the "Index"). The Portfolio outperformed the Index by a 1.92% margin. Year to date, Portfolio outperformance stands at 14.52% gross of fees.

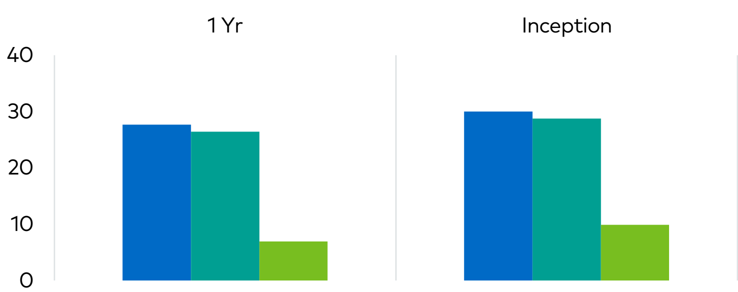
- In the third quarter, we initiated a position in CellaVision and Benefit One. We sold our positions in CAE and Computershare.

- During this unusual period, we have gained incremental information on companies that otherwise would not be available. Management teams have been stress-tested, business models pushed to extremes, and companies have had to prove their agility.

- In our view, seeing companies in action when the world appears to be upside down is the best way to deeply understand a company's potential greatness.

- While the macro environment remains uncertain, we remain focused on our core competency. By applying our time-tested investment approach to the international small-cap universe, one of the least efficient categories in equity markets, we feel we can deliver compelling returns for our clients over the long-term.

Seeks Growth & Capital Preservation (Performance (%) as of 9-30-2020)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	Inception
International Small Co. Growth (Gross)	12.42	10.87	27.70	-	-	30.02
International Small Co. Growth (Net)	12.15	10.06	26.44	-	-	28.75
MSCI ACWI Ex-USA Small Cap Net	10.50	-3.65	6.96	-	-	9.89

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.

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 third quarter of 2020, the Polen International Small Company Growth Composite Portfolio (the "Portfolio") returned 12.42% gross of fees versus 10.50% for the MSCI ACWI ex-USA Small Capitalization (the "Index"). The Portfolio outperformed the Index by a 1.92% margin. Year to date, the Portfolio outperformed by 14.52% gross of fees.

The International Small Company Growth strategy launched on January 2, 2019 and is now seven quarters old. We think we can all agree that the past nearly two years have felt anything but normal. The world has experienced a global pandemic, a recession, trade conflicts, and escalating tensions among world powers. The markets have oscillated over this same period and with significant volatility. Thus far, we believe the Portfolio has performed as one would hope a Polen Capital strategy to perform. We have shown impressive downside capture of 68.04% since inception and showcased upside capture of 125.00%. By applying our time-tested investment approach to the international small-cap universe, one of the least efficient categories in equity markets, we feel we can deliver compelling returns for our clients over the long-term.

The pandemic has been disruptive to society and the economy. We, like all of you, look forward to a vaccine and a return to many of the activities that we once enjoyed. Let us hope that this becomes a reality sooner rather than later.

One unexpected consequence of the pandemic relates to our Portfolio and research process. We have incremental visibility on many of our owned companies and the companies we are actively researching. We explored this dynamic in our white paper, "A Business Owner's Mindset: Investing Through a Pandemic." It primarily focuses on world-class management teams who have been put to the test and who, in our view, proved why their companies are owned in Polen Capital strategies.

During this unusual period, we have gained incremental information on companies that otherwise would not be available. Management teams have been stress-tested, business models pushed to extremes, and companies have had to prove their agility. Some companies resoundingly faced the challenge, while others have failed. For many companies, they were either last tested during the Great Financial Crisis of 2008–2009 or have never been tested. There is tremendous value in seeing companies in action when the world appears to be upside down, and we believe it can be the best way to deeply understand a company's potential greatness.

We view the actions of **Auto Trader Group**, which is the leading online marketplace to advertise and shop for automobiles in the U.K., as an example of greatness. The company's end markets froze with the onset of the pandemic. Economic activity in the buying and selling of used cars dropped to nearly zero for a prolonged period. In the face of these external challenges, the company's behavior reinforced why we believe it to be one of the 30 best companies in the world.

We felt Auto Trader Group management treated all stakeholders with respect and compassion. This included not charging customers for services they could not use, offering discounts, and providing incremental resources throughout this challenging period. The company communicated extensively to its employees, customers, and investors. It was also thoughtful about variable costs and balance sheet considerations.

Most importantly, Auto Trader Group accelerated innovation. Agility matters in a crisis because periods of disruption, by their definition, force change. This provides an opportunity for companies, like Auto Trader and all our owned companies, to attract new customers, deepen existing relationships, protect and uplift their employees and other stakeholders, and further separate themselves from competitors.

We believe durable, high-quality companies like Auto Trader Group are rare. It stands to reason that we own only approximately 30 businesses today. Few companies can clear our high hurdles for quality. It also highlights why we believe owning a concentrated portfolio of only the best companies is advantageous.

As an investment team, we often discuss how we want to own companies that have the potential to survive and thrive in nearly any environment.

This objective has been put to the test, and ultimately, our owned companies have generally performed very well during these challenging times.

Portfolio Performance & Attribution

Global markets experienced mixed results throughout the third quarter but were generally higher. This follows the first half of the year where markets declined sharply throughout the first quarter only to recover in unison during the second quarter. Regionally, European indices' returns varied between -3% and 15%, the Americas indices returned between -4% and 7%, and Asian indices returned between -3% and 14%. Europe had the largest dispersion with Denmark increasing 15% and Spain declining -3%.

By geography, we prefer to think about revenue by region to showcase more accurately where we have deployed capital. As of September 30, 2020, the Portfolio has 42% of revenues in Europe, 30% in the Americas, 22% in Asia, and 2% in Africa & the Middle East.

By sector, communication services and healthcare were materially additive in the quarter, while consumer discretionary underperformed modestly. Approximately 72% of the businesses we own are classified as either technology (including communications), consumer, or healthcare. Industrials accounts for 11 % of the Portfolio, while 10% is allocated to financials and 3.5% to real estate. We believe many of the industrial companies and the one real estate company in the Portfolio could be classified as technology or consumer, given their underlying business drivers.

Sector exposure is a byproduct of our objective to only own the highest-quality companies in our investment universe.

Given the characteristics we look for in businesses, it is reasonable to assume the Portfolio will likely continue to have a large weighting in the technology (including communication services), consumer, and healthcare sectors. The Portfolio will not own commodity-oriented businesses like many of those in energy, utilities, or materials.

As it relates to style, quality was a tailwind during the quarter and has historically been a powerful tailwind for results in the international small-cap category over longer periods. Foreign exchange was a modest positive of roughly 50 basis points during the quarter. Over time, we will consistently highlight the effect of foreign exchange on the Portfolio. As a reminder, the strategy does not hedge currency.

The two leading contributors to the Portfolio during the quarter were **Tecan Group AG** and **Netcompany**.

Tecan Group AG was the top contributor to performance in the quarter. Tecan is a Switzerland based manufacturer of laboratory instruments used by the biopharmaceutical, forensics, and clinical diagnostics industries. The company has become dominant in several niche markets due to the combination of its highly regulated technology and the company's strong reputation. Furthermore, the company has a high degree of recurring sales from service and replacement parts, which provides durable cash flows that allow the company to consistently reinvest in the business. On that note, we have been impressed with management's commitment to innovation and strong track record of success. We remain enthusiastic shareholders of this business and expect it to continue to execute strongly in the future.

Netcompany was the second most significant contributor to performance in the quarter. Headquartered in Denmark, this next-generation IT service provider's work includes projects such as developing and maintaining tax collections systems for the public market. It also delivers key business systems such as CRM and billing software to private markets. Netcompany generally has sticky relationships with clients because it provides mission critical digital transformation services that allow its clients to meet the demands of an increasingly technology-centric world. Additionally, the company is focused on a demanding portion of the IT services industry, which requires both technological excellence and creativity and makes it difficult for incumbents to compete effectively. We think Netcompany is an example of a company where the flywheel is accelerating, and recent results confirm this.

The two leading detractors for the Portfolio during the quarter were **Morneau Shepell Inc.** and **CAE Inc.**

Morneau Shepell Inc. was the top detractor to performance in the quarter. The company is a Canadian-based provider of human resource consulting and technology services such as employee assistance programs, health and wellness, benefits and pension outsourcing, and health plan solutions. We view Morneau to be in an enviable competitive position. Its high market share and incredibly high customer retention rates make it difficult for new entrants to gain a foothold. Part of our investment decision was based on the expectation that it would expand upon the foothold it had developed in the U.S. over time. Since we initiated our position, the company has executed well on that objective with consistently strong organic growth in the U.S., which adds to its already dominant position in Canada. With that success, the addressable market has significantly expanded. We expect the company to continue to compound at an attractive rate for the foreseeable future.

CAE Inc. was also a top detractor in the quarter. The company offers simulation, modeling, and training technologies. It primarily serves the civil aviation market but secondarily serves the defense and healthcare markets. COVID-19 has negatively impacted commercial airlines and, as such, challenged CAE's end-markets to an unprecedented degree. Under normal circumstances, we view CAE to be a world-class business. However, we believe the range of outcomes is now unacceptably wide. Therefore, we chose to sell our position.

Portfolio Activity

During the quarter, we initiated new positions in **Benefit One** and **CellaVision** and sold our positions in **Computershare** and **CAE Inc**.

We initiated a new position in **Benefit One** early in the third quarter. Benefit One is a Japanese provider of outsourced business processes that are centered around HR functions like fringe benefits and healthcare services. We think of Benefit One as a business-to-business Costco of corporate services. The company earns monthly fees and wins members from corporations that want to provide welfare and healthcare services to their employees. These services to employees are either required by Japanese employment regulations or are culturally expected. This creates a strong value proposition for service providers who want access to the nearly 8 million members (~12% of the Japanese workforce) and are willing to offer discounts.

Benefit One's platform typically lowers a company's customer acquisition costs. We believe the company has a significant opportunity to grow its business by adding members and adding new lines of business, a strategy at which management has proven themselves to be highly adept. The capital required to grow the platform is minimal, and high incremental returns should lead to margin expansion.

We also purchased **CellaVision**. The company sells a disruptive technology for hematology labs that automates and optimizes workflow. For over a hundred years, people have had to look into microscopes and count abnormalities in blood samples. However, CellaVision's digital analyzer technology automates this manual process in all but the most complex samples. Additionally, the time it takes for a lab to recover the cost of its investment in the technology is compelling at 1-2 years, and CellaVision's products generally last ten years.

Today, CellaVision holds a dominant market position with over 95% share in its niche of the hematology market. Its market opportunity is vast as ~80% of labs in its large lab market have completely manual workflows. Furthermore, CellaVision continues to expand its total addressable market by introducing new solutions for the small and medium-lab markets. Management consistently allocates ~15% of sales to R&D. The company also recently made what we view as thoughtful acquisition in the adjacent segment of sample preparation. This acquisition will expand the breadth of its offerings. This business's high-quality characteristics and its ability to compound durably at a compelling level make this an attractive opportunity.

We exited **CAE Inc.** during the third quarter due to risk management. CAE makes simulators to train pilots in both civil and defense craft operation. The company also trains pilots on behalf of airlines who prefer to outsource that function. The company has a nearly 70% share of simulators and 35% share of outsourced training, and we view the company to be best in class under normal circumstances. However, it is not clear when or if air travel will normalize, and the range of outcomes has evolved to an unacceptably high level in our view. We also do not have a view worth sharing on potential government aid to airlines nor how furloughs will be resolved—making such predications is outside our core competency. It is judicious to search for other first-class opportunities.

Our decision to liquidate our **Computershare** position can be summarized as identifying what we believe to be a superior alternative. Like CAE, we believe that the range of outcomes for Computershare in the current environment is unacceptably high. We have owned Computershare since the Portfolio's inception. The company has a dominant market share in register maintenance. However, we felt lower interest rates worldwide and a variety of regulatory headwinds since the onset of the pandemic make it prudent to redeploy capital to better investment opportunities.

We used the proceeds from our sales of CAE and Computershare in favor of what we believe to be superior alternatives, which was to add to our existing positions in **Auto Trader Group** and **Douzone Bizon**.

We feel Auto Trader Group has a long runway for growth via innovation in adjacent categories. We have confidence that this growth, both organic and inorganic, should lead to a narrower range of compelling outcomes. Similarly, **Douzone Bizon** continues to innovate within the enterprise resource planning space. The company has introduced new software solutions and is successfully transitioning to the cloud. We also added to a newer position during the quarter, **Poya International**, a Taiwanese retailer whose investment case we summarized in the Q2 2020 letter.

Lastly, we trimmed our position in **Globant** modestly. Globant is a world-class organization that has executed its strategic plan, and we deeply admire its value creation in the IT services space. That said, the company had grown into the second-largest position in the Portfolio, and we redeployed capital to more compelling opportunities.

Outlook

We continue to find world-class companies in which to invest. Overall, the year has been a fruitful one, and most importantly, we think our opportunity set remains very attractive. The purchase of **Vitrolife** in May exemplifies how our team has opportunistically executed our strategy during a volatile 2020.

Vitrolife is a healthcare company based in Sweden. We had been researching Vitrolife as a team for several months and methodically took it through our investment process. As the pandemic hit and global stock prices fell in unison, we were able to buy a company that we would have bought during other periods but at a more attractive price. In other words, while the sky was falling, we conducted business as usual.

How good is Vitrolife? The company sells specialized consumables and diagnostic technologies for in vitro fertilization (IVF). Vitrolife has historically grown faster than the market due to innovation and strategic value-creating reinvestment. The company has a highly repeatable sales process due to high recurring-like revenue and a steady cadence of innovation. To us, Vitrolife is not just good—it is world-class. Hopefully, this example demonstrates how 2020 has allowed us to seize certain opportunities during this unique year.

Looking forward, we see exciting opportunities to buy companies globally that fit our investment philosophy and can potentially deliver compelling returns to our clients. We are actively researching several Vitrolife-like companies today and believe this is what makes international small-cap investing so rewarding.

We will continue to execute the time-tested Polen Capital playbook in one of the least efficient categories and seek to find the best companies in the world.

Of course, the macro environment remains uncertain. But we remain focused on our core competency. By executing our investment philosophy, we believe we own and will continue to own companies that can thrive in a variety of unknown external environments.

Team Update

The Small Company Growth team has met the challenges of 2020, and we believe it is thriving. Our investment process depends heavily on collaboration throughout the process. We have embraced Microsoft Teams and Zoom to stay connected and continue to research high-quality companies together.
We have begun a search for a research analyst and are excited to find another great teammate. The team currently includes three Portfolio Managers and four analysts. We will be looking for the intersection of our three key characteristics: culture, skilled business analyst, and a flexible mindset. We will keep you updated about this position.

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
19 years of experience

Historical Performance

	Polen (Gross) (%)	Polen (Net) (%)	MSCI ACWI ex-USA Small-Cap (%)
3 Months	12.42	12.15	10.50
YTD	10.87	10.06	-3.65
1 Year	27.70	26.44	6.96
Since Inception (01-02-2019)	30.02	28.75	9.89

Returns are trailing through 9-30-2020. Annualized returns are presented for periods greater than one-year.
Source: Archer.

GIPS Disclosure

Polen Capital Management
International Small Company Growth Composite—Annual Disclosure Presentation

		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 Small Cap (%)	Composite Dispersion (%)	Polen Gross (%)	MSCI ACWI ex USA Small Cap (%)
2019	34,784	12,681	22,104	1.43	1	42.80	41.40	22.42	N/A	-	11.77

[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 Annual Disclosure Presentation.
N/A - There are five or fewer accounts in the composite the entire year.

GIPS Disclosure

The International Small Company Growth Composite created on January 1, 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. 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 by ACA Performance Services, LLC for the periods January 1, 2016 through June 30, 2019. A verification covering the periods from April 1, 1992 through December 31, 2015 was performed by Ashland Partners & Company LLP, which was acquired by ACA Performance Services, LLC, whose report expressed an unqualified opinion thereon.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Polen Capital Management is an independent registered investment adviser. The firm maintains a complete list and description of composites, which 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. Past performance is not indicative of future results. Effective January 1, 2018, accounts must be fully invested at the market open on the first business day of the month, in order to be included in that month's composite.

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 calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations 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 Index is maintained by Morgan Stanley Capital International, and is comprised of stocks from both developed and emerging markets.

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