Polen U.S. Small Company Growth

Portfolio Manager Commentary – December 2020

Summary

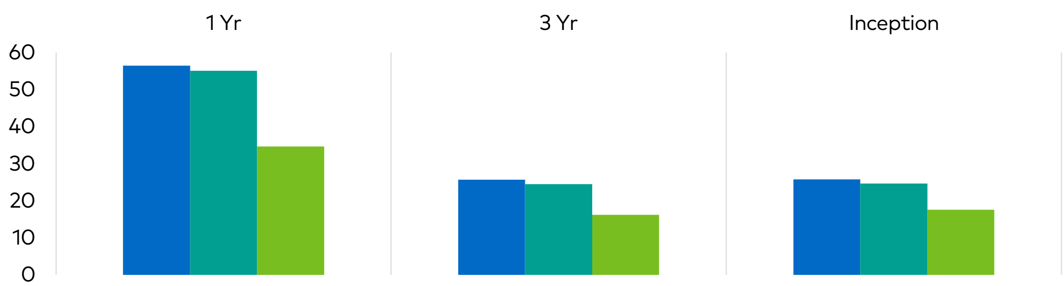
- The Polen U.S. Small Company Growth Composite Portfolio (the "Portfolio") returned 29.14%, gross of fees, in the fourth quarter versus 29.61% for the Russell 2000 Growth Index (the "Index") and 56.41%, gross of fees, for the year compared to 34.63% for the Index.

- The Portfolio tracked the Index in the fourth quarter. Headwinds included an underweight to the health care sector, while stock selection and an overweight in the information technology sector supported returns.

- For the full year, our Portfolio reported attractive absolute and relative performance. Our outperformance was driven by stock selection and sector allocation, especially in the consumer discretionary and information technology sectors, where we have our largest exposure.

- We are excited about the long-term prospects in the small-cap space. We are particularly excited about the potential that digital transformation appears to be unlocking for smaller companies.

Seeks Growth & Capital Preservation (Performance (%) as of 12-31-2020)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	Inception
U.S. Small Company Growth (Gross)	29.14	56.41	56.41	25.64	-	25.75
U.S. Small Company Growth (Net)	28.88	55.08	55.08	24.50	-	24.60
Russell 2000 Growth	29.61	34.63	34.63	16.21	-	17.55

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

The Polen U.S. Small Company Growth Composite Portfolio (the "Portfolio") returned 29.14%, gross of fees, in the fourth quarter versus 29.61% for the Russell 2000 Growth Index (the "Index") and 56.41%, gross of fees, for the year compared to 34.63% for the Index. The Portfolio exceeded our annual target return expectations, which is typically in the mid-teens. We are proud of our full-year outperformance amid a year of unprecedented extremes. We believe our ability to quickly adjust to remote teamwork allowed us to consistently execute our investment process and discipline with even higher levels of collaboration.

The Index experienced a record-breaking drop in the first quarter followed by the highest quarterly return on record in the second quarter. By the fourth quarter, optimism about the COVID-19 vaccine rollout and the conclusion of the U.S. election removed some of the uncertainty and helped propel the Index to all-time highs. The forward-looking market seems to be painting an optimistic picture of economic recovery. However, we see continued pandemic-related risk and a wide dispersion in results across the small-cap universe. While some companies are benefitting from pandemic-related changes to business conditions and consumer behavior, others are suffering.

We believe the companies in our Portfolio are turning crisis into opportunity, with many potentially positioned to emerge from the pandemic even stronger.

While there has been some multiple expansion, we attribute much of our Portfolio companies' price appreciation to their fundamentals and position for the future. The extremes of 2020 provided us with opportunities to add value. We believe our knowledge and experience investing through market crises gave us the confidence to act when the market was at its weakest, setting us up for outstanding stock selection for the year.

The oscillation between companies more represented in growth indices and those in value indices will likely remain a regularly occurring phenomenon that can sometimes be a headwind for us. But the drivers of what has been an uncharacteristically long growth cycle are still firmly in place, and we believe they will persist in the future. We do not invest with a "growth" vs. "value" mindset as we believe this is an artificial construct. We continue to believe focusing exclusively on high quality growth companies is the way to invest with a longer-term time horizon. We think our long-term performance will be driven by the performance of the businesses we own and their ability to generate considerable cash flow at persistently high returns on capital, rather than timing short-term market swings.

Portfolio Performance & Attribution

The rotation we referenced in our third quarter letter—to lower quality companies that are less profitable, more cyclical, and those that seem to have been most negatively impacted by COVID-19—continued in the fourth quarter. We believe this is consistent with the stages we have witnessed in the past when emerging from a crisis, albeit within a very condensed timeframe.

Our performance was roughly in line with the Index for the quarter. Our biggest headwinds were within the health care sector, where we are considerably underweight relative to the Index. However, the Portfolio benefitted from our stock selection in the consumer discretionary sector, where we have a considerable overweight, and overweight in the information technology sector, which was one of the strongest sectors in the quarter overall.

For the full year, our Portfolio reported attractive absolute and relative performance. Our outperformance was driven by stock selection and sector allocation, especially in the consumer discretionary and information technology sectors, where we have our largest exposure. We outperformed the Index during the year when there was a flight to quality and our style was in favor. Notably, we also maintained our relative performance due to stock selection, even as markets shifted towards lower quality and higher risk.

From a style factor standpoint, there were large swings throughout the year. The net impact of style factors was positive in 2020, but most of our outperformance can be attributed to our stock selection. Our high-quality-oriented factor exposure certainly helped us in the first half of the year, but those factors struggled to consistently outperform as the market recovered. This was particularly true starting in the third quarter when companies with lower profits and greater volatility outperformed. Our lower exposure to these factors was a headwind in the second half of the year, but we maintained our performance. Overall, our positive exposure to growth offset weakness from our overexposure to profits and underexposure to volatility.

In terms of individual holdings, **Revolve Group**, **Alarm.com**, **Etsy**, and **Blackline** were the top contributors during the quarter, based on relative contribution to return. Etsy and Blackline were also top contributors for the full year.

Revolve Group is a leading, next-generation online retailer of apparel, accessories, and beauty for fashion-forward women. As the pandemic hit, demand for many product categories driven by 'going out,' like dresses and festive apparel, declined dramatically. However, the company adapted quickly and successfully by pivoting to other categories like beauty, loungewear, and leisure. Revolve maintained high customer engagement even without the in-person social events that have helped to build its brand. As social restrictions ease, we believe consumers will increase engagement and spending with brands like Revolve.

Alarm.com is a cloud-based home security and automation service provider. The stock increased significantly in the fourth quarter after a volatile third quarter due, in part, to investor concerns about a new partnership between ADT and Google. We believed these concerns were overblown, and the stock saw gains when the company reported strong results. The pandemic is becoming a tailwind for the business as people move away from cities or into larger homes, natural customer acquisition events for Alarm.com. We believe its value proposition and business model have the potential to translate into durable growth for the long term.

Etsy is the leader in the $100 billion-plus global market for unique and creative goods.

> **Etsy operates a scaled, two-sided marketplace and we believe it is a great example of our flywheel investment criteria.**

The company was handed a once-in-a-lifetime opportunity to rally its 'makers' to produce masks to meet global demand. Thanks to well-timed investments, actions of leadership, and its culture, we believe Etsy has been able to leverage that success into broad strength and long-lasting customer acquisitions, leaving us even more optimistic about its long-term prospects.

Blackline is the leading provider of cloud-based financial close software globally. Although the pandemic disrupted many of its prospective customers and modestly delayed the sales cycle, it also highlighted the need for businesses to digitize 'closing the books,' or the financial close process. The company's main competition is generally not other software providers but legacy processes that use Microsoft Excel. The pandemic has highlighted risks and inefficiencies in legacy systems for some, as many finance teams had to perform the financial close process remotely for the first time. We think this may drive CFOs to prioritize digitization, and we expect accelerated adoption of Blackline's software going forward.

During the fourth quarter, our bottom contributors to the Portfolio were **Simulations Plus**, **Pool Corp.**, **Wingstop**, and **LendingTree** based on relative contribution to return. For the full year, our bottom contributors were **U.S. Physical Therapy** and **Littelfuse**.

For the fourth quarter, most of our detractors were also stocks that were up for the year, with no notable developments in the fourth quarter except the general market rotation away from early COVID winners. This included **Simulations Plus**, a new position, **Pool Corp.**, and **Wingstop**.

LendingTree, an online lending marketplace, experienced mixed results due to the pandemic. Some of the company's segments posted outsized gains, but others were challenged. Fortunately, LendingTree is data-driven and nimble and has shown improvement more recently. We believe its long-term picture is still positive as it has the potential to create a large and growing lead generation marketplace for financial services products.

U.S. Physical Therapy and **Littelfuse** were detractors for the full year. U.S. Physical Therapy is a leading operator of outpatient physical therapy clinics and injury prevention services. However, pandemic-related challenges, including some practices temporarily closing, others operating well below capacity, and the company's decision to permanently close some practices could mean that a return to prior results may take much longer and considerably widen the range of outcomes. We chose to sell our position in the second quarter in an effort to upgrade our Portfolio.

Littelfuse is a leader in circuit protection, power control, and sensing technologies. Having monitored its slowdown in organic growth and lower margins, we became concerned that the company is more cyclical than before and vulnerable to the pandemic, so we exited our position in the second quarter in an effort to upgrade our Portfolio.

Portfolio Activity

During the quarter, we added to our positions in **Wingstop** and **Medspace** and initiated positions in **Simulations Plus** and **Endava**.

Simulations Plus is a global leader in innovative modeling and simulation software and consulting services to the pharmaceutical and biotechnology industry. Its products are designed to improve the cost, speed, and success rate of drugs brought to market. The company licenses its software to major pharmaceutical and biotechnology companies and national regulatory agencies. It has highly repeatable sales, with software renewal rates in the mid-90s. Its consulting services allow it to work directly with customers to better understand them and their pain points, which we believe further boosts Simulation Plus's value proposition. We believe the company's solutions are still in the early stages of adoption and have the potential to grow organically for years to come.

Endava is an IT consulting firm that helps clients develop new solutions, products, and technology to evolve their businesses. It models itself on providing near-shore delivery centers in the same approximate time zone as its customers but in lower labor cost markets. This strategy results in Endava setting up locations in places like Moldova, where it is an employer of choice and has access to large pools of highly skilled labor at a lower cost. We believe the addressable market for its services is large and could grow at a mid-teens rate. Interestingly, the company has generated approximately 90% of its revenue over the past five years from existing clients, which we believe implies that Endava has been successful at building and growing client relationships. As a testament to the power of positive referrals, 80% of new clients hire Endava without an RFP. This allows the company to enjoy low customer acquisition costs with a high lifetime value.

We believe the company can compound intrinsic value at an approximate 30% rate for the foreseeable future driven primarily by top-line growth and, to a lesser extent, margin expansion on the back of price increases and operating leverage.

Our goal is to own great compounders that eventually become so large that they graduate from our Portfolio, allowing us to redeploy capital in promising smaller companies. We, again, realized this goal with two successful market-cap-driven exits during the quarter: **Masimo** and **Pool Corp**. Both had been in the Portfolio since inception and benefited from the pandemic, albeit in different ways.

Masimo, a medical technology company focused on manufacturing sensors that read blood oxygen levels, benefitted from the demand for health care during the pandemic.

The world's largest wholesale distributor of swimming pool supplies, parts, and outdoor living products, **Pool Corp.** is a consistent company that continued to execute well on its long-term strategy with no slowdown in demand in 2020.

Finally, in addition to opportunistically trimming our position in **Etsy**, we exited our position in **Blackbaud** during the quarter after observing management behaviors that conflicted with our flywheel investment criteria.

Blackbaud provides cloud-based and on-premise software solutions to the non-profit community. It made what we believed to be short-term-oriented decisions to preserve profitability during the pandemic at the expense of a long-term outlook. For example, the company slashed employee benefits and compensation despite having a relatively strong balance sheet to possibly maintain and even expand margins. We would have preferred that they made an effort to preserve employee stakeholder relationships and continue to invest and hire to further their competitive lead. We believe a crisis like COVID-19 serves as an opportunity to test the dedication of management toward their goals of long-term value creation. To us, short-term behavior like this is a red flag. Based on our discipline of unemotionally selling, we recognized a major deficiency of our investment criteria and exited our position.

Outlook

After the wildest year in the markets in recent memory, short-term predictions seem less relevant than ever to us. This is especially true with the high unemployment levels, political unrest, and uncertainty about the pandemic. Regardless of what happens in the short term, we are excited about the long-term prospects in the small-cap space. We remain focused on the types of companies that we have always valued most—those that we believe have optimal conditions for long-term compounding based on our flywheel investment criteria and the right management team behaviors.

As 2020 unfolded, there was a wide divergence in fundamental performance, with three main themes emerging that make us even more optimistic about the future and the types of companies we invest in.

The first theme driving real and fundamental positive differentiation today, in our opinion, is a strong customer connection. This was vital in 2020 as supply chains and physical retail, the traditional conduits to the customer, were impaired. Generally, trusted businesses with significant investments in digital infrastructure, strong brands, customer loyalty, and informative feedback loops overcame this and delivered results. Those without the digital infrastructure to connect with customers typically did not fare as well. We believe this trend will continue.

In our view, another key theme has been agility. Specifically, having the structure, culture, and management skills to create and support an agile organization. Agility allows the flywheel to turn faster, something we have never seen in such contrast as in 2020. As usual, we observe management behaviors to help us better understand a company's agility and believe it to be a necessary quality for business success today.

We believe the third theme has been long-term stakeholder behavior. Generally speaking, 2020 was an unprecedented year for being able to evaluate management behavior in the face of a crisis. We saw how important culture and leadership are to ensuring customers remain happy and employees feel both safe and excited in their jobs. Businesses that continued to invest in their customers and employees are generally being rewarded. For those that demonstrated short-term oriented behaviors from management teams, we sold our positions. In addition, we believe environmental, social, and governance (ESG) factors are an important input to continued success. We have been pleased to see that many of the companies in our Portfolio are becoming more sophisticated in their appreciation of ESG.

While we are often asked to comment on the shorter-term performance of growth and value indices, that is simply not our focus. Our mindset differs from investors who try to capitalize on shorter-term price arbitrage or bet on mean reversion, which are finite opportunities by their very nature.

We seek companies that offer infinite opportunities through long-term compounding.

Looking ahead, we believe that the companies in our Portfolio are well-positioned for the future, and for companies to achieve long-lasting success, they must strategically invest in culture, talent, organizational agility, and innovation.

We think much of this strategic investment could be in digital transformation, which means more than the movement of paper, people, or physical processes to the internet/cloud. It can also be a product, a changed internal process, a new platform, or an innovative way to connect and communicate.

Understanding digital transformation is important because of how much it has accelerated with the pandemic. As digitization takes root, we believe it will be an equalizer for small companies, driving an even faster spinning flywheel and resulting in non-linear outcomes.

Despite the destruction caused by the pandemic, the year introduced significant sea change and left us very optimistic about our Portfolio. We nevertheless recognize that the business behaviors we seek are rare and why we continue to be discerning, holding a concentrated portfolio of what we believe are the best companies. We expect 2021 to also be interesting and unpredictable and look forward to a bright future for the small-cap asset class.

Thank for your interest in Polen Capital and the U.S. Small Company Growth strategy. We appreciate your support and welcome your feedback.

Sincerely,
Tucker Walsh & Rayna Lesser Hannaway

Experience in High Quality Growth Investing

Tucker Walsh
Head of Team, Portfolio Manager & Analyst
29 years of experience

Rayna Lesser Hannaway
Portfolio Manager & Analyst
24 years of experience

Historical Performance

	Polen (Gross) (%)	Polen (Net) (%)	Russell 2000 Growth Index (%)
3 Months	29.14	28.88	29.61
YTD	56.41	55.08	34.63
1 Year	56.41	55.08	34.63
3 Year	25.64	24.50	16.21
Since Inception (03-09-2017)	25.75	24.60	17.55

Returns are trailing through 12-31-2020. Annualized returns are presented for periods greater than one-year.
Source: Archer.

GIPS Report

Polen Capital Management
U.S. Small Company Growth Composite—Annual Disclosure Presentation

		UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation[2]	
Year End	Total ($Millions)	Assets ($Millions)	Assets ($Millions)	U.S. Dollars ($Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	Russell 2000G (%)	Composite Dispersion (%)	Polen Gross (%)	Russell 2000G (%)
2019	34,784	12,681	22,104	8.28	8	22.73	21.62	28.50	0.1	-	16.60
2018	20,591	7,862	12,729	3.82	6	3.30	2.31	-9.29	0.0	-	16.69
2017[1]	17,422	6,957	10,466	5.65	4	20.74	19.82	18.22	N/A	-	14.80

[1]Performance represents partial period (March 9, 2017 through December 31, 2017), assets and accounts are as of December 31, 2017.
[2]A 3 Year Standard Deviation is not available for 2017, 2018 and 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.
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 Disclosure

The U.S. Small Company Growth Composite created on July 3, 2017 with inception date March 9, 2017 contains fully discretionary small company equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against Russell 2000 Growth. 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. 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. The verification report is available upon request.

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. A material error in the 2017 annual performance for the Russell 2000 Growth was corrected as of April 17, 2020. 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 portfolios, 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 Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price/book ratios and higher forecasted growth values.

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