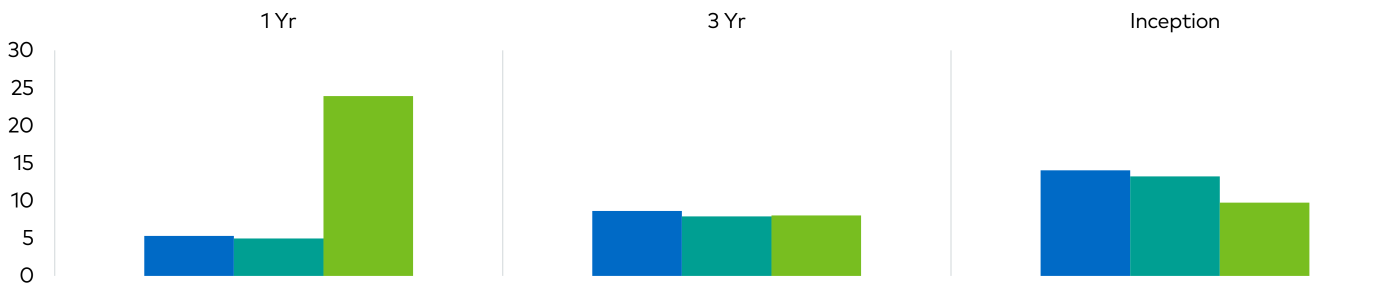
Polen International Growth

Portfolio Manager Commentary – September 2021

Summary

- During the third quarter of 2021, the Polen International Growth Composite Portfolio (the "Portfolio") returned -3.72% gross of fees. The MSCI All Country World Index (ex-US) (the "Index") returned -2.99%. Year to date, the Portfolio returned 0.48% versus 5.89% for the Index.
- Since its inception on January 1, 2017, the Portfolio has delivered an annualized return of 14.05% gross of fees compared to a 9.72% annualized return for the Index.
- Unprecedented regulatory shifts in China and prospects of a higher interest-rate environment due to elevated inflationary pressures were performance headwinds during the quarter.
- We exited our investments in Inditex and New Oriental Education, trimmed LVMH Moet Hennessey, Tencent, and Alibaba, and used the proceeds to increase our positions in Evolution AB, Temenos, ASML Holding, Siemens Healthineers, and Amadeus IT Group.
- We remain optimistic about the future and expect normalized economic conditions to return as the health crisis improves.
- In the interim, we draw confidence from the robust results the Portfolio's companies are reporting. Further, we note the Portfolio's prospective earnings growth is currently higher than at any point over the last five years.

Seeks Growth & Capital Preservation (Performance (%) as of 09-30-2021)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	Inception
Polen International Growth (Gross)	-3.72	0.48	5.29	8.62	-	14.05
Polen International Growth (Net)	-3.82	0.18	4.95	7.89	-	13.22
MSCI ACWI (ex-USA)	-2.99	5.89	23.91	8.02	-	9.72

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

As the world emerges from the pandemic, companies within the Polen International Growth Portfolio ("the Portfolio") continue to deliver robust results. Our current holdings are benefitting from exposure to enduring trends, including continuously improving enterprise technology, omnichannel commerce adoption, outsourcing services, and branded products consumption. While pockets of volatility can appear and impact short-term performance, our focus remains on maintaining a Portfolio geared for long-term earnings growth. From our perspective, such growth is the key driver of long-term share price appreciation.

In the third quarter, the Portfolio's performance was hindered by two separate issues. First, our exposure to companies based in China acted as a headwind to returns. In July, Chinese policymakers rolled out a series of new regulations that disrupted markets and impacted our Chinese holdings.

Looking at the reforms, we believe China's political leaders aim to reign in the corporate sector to create a more equitable society.

Though abrupt policy changes may appear to some market participants like a step back towards Maoist policy, we feel these shifts are more likely an overt reminder that the Chinese Communist Party (CCP) leads the way in the nation's socialist market economy.

Over the last two decades, China enjoyed unprecedented economic development, lifting hundreds of millions of people out of poverty. This rapid growth came in part through reliance on the dynamic expansion of the private sector. As a result, a significant wealth gap benefitting the owners of capital over low-wage workers emerged and widened over the years. The CCP has framed its new regulatory policies to achieve "common prosperity" to narrow the wealth gap. These policies look different from those typically implemented by western nations, where free enterprise and politics occasionally benefit corporations over individuals.

Despite the ongoing regulatory crackdown, we believe that private enterprises will continue to drive China's growth, particularly in the rising consumer sector and technology-related industries. In addition, we acknowledge regulatory changes bring uncertainty, but, in our view, China's economic engine will remain a pillar of global economic growth. However, the new regulatory tone from Beijing implies a more proactive approach to policy, and as a result, less "freewheeling" by the private sector should be expected in the future. Thus, we feel "capitalism with Chinese characteristics" remains an apt label for the nation. Nevertheless, given the uncertainty around the regulatory landscape, we found it prudent to significantly reduce the Portfolio's exposure to Chinese companies in July.

The second performance headwind surfaced late in the quarter. Interest rates began to rise in August as inflation worries, fears surrounding the Delta variant's ongoing impact, and central bank policy normalization concerns intensified. By the end of September, upticks in long-dated interest rates sparked market volatility, particularly in growth stocks—just as we witnessed during the first quarter.

Though we discussed our views on interest rates in our first quarter's commentary, we reiterate that rates could undoubtedly move higher from the levels where they stand today. However, given the lingering headwinds listed in our first quarter 2021 commentary, it is difficult to envision a world where rates are significantly higher than pre-COVID-19.

Portfolio Performance & Attribution

Our top relative performers in the third quarter of 2021 were **ICON**, **Aon**, and **Accenture**. The largest relative detractors during the quarter were **New Oriental Education**, **Alibaba**, and **Tencent**.

ICON continues to experience robust demand for its primary offering, the provision of drug trial administration services for pharmaceutical companies. The pandemic created additional demand for ICON's services, and this trend may persist for a few years. From a contribution perspective, shares of **Aon** rallied after the termination of the company's planned merger with Willis Towers Watson. Regulatory uncertainty lingered from the initial merger announcement in 2020 but cleared in the quarter.

Aon's strategic initiatives, operational excellence, and robust earnings prospects have helped continue to drive business results.

Similarly, shares of **Accenture** experienced upward momentum as the business continued to showcase favorable booking growth. The company has benefitted from multiple structural trends (cloud, security, automation, AI, etc.) that have coalesced and accelerated during the pandemic. Looking forward, we expect these trends to gain additional momentum in a post-pandemic world where digital expertise appears to be prized above all else.

The quarter's leading detractors were Chinese companies that were impacted by the CCP's regulatory crackdown and liquidity concerns at property developer Evergrande. **New Oriental Education**—the largest provider of private educational services in China—moved sharply lower in July after policymakers implemented new rules which effectively turned Chinese tutoring companies into non-profits.

Despite experiencing commendable growth during the pandemic, **Alibaba** moved lower as headline risk weighed down on the company.

Headwinds included ongoing regulatory scrutiny (the scope and duration are tough to gauge) and competitive pressure. Still, amidst these concerns, Alibaba remains China's largest e-commerce platform. Meanwhile, **Tencent** was also impacted by the regulatory crackdown despite the company's earnings growth acceleration throughout the pandemic. Going forward, we maintain a constructive view in these two companies.

Portfolio Activity

During the quarter, we exited our investments in **Inditex** and **New Oriental Education**, trimmed **LVMH Moet Hennessey**, **Tencent**, and **Alibaba**, and used the proceeds to add to our positions in **Evolution AB**, **Temenos**, **ASML Holding**, **Siemens Healthineers**, and **Amadeus IT Group**.

Our trades during the quarter reduced the Portfolio's exposure to Chinese businesses. Notably, the reduction in Chinese growth companies funded increases in a basket of high-growth-potential, European businesses that we believe offer equally elevated expected growth rates. Thus, we changed the make-up of the Portfolio by reducing exposure to China's economy while maintaining a mid-teens expected earnings growth rate across the Portfolio.

Looking at **New Oriental Education**, we closed our position as soon as government policy became clear and used the proceeds to allocate to existing holdings. Additionally, we trimmed our weightings in **Tencent** and **Alibaba** due to reduced visibility on earnings growth. Despite ongoing uncertainty, we believe both companies are still among the best businesses in the international universe.

Outside China, we decided to sell **Inditex** due to slower growth expectations. Though the world's largest retailer of mass-market fashion clothing continues to display substantial competitive advantages, the pandemic has taken a toll on the business as consumer demand has shifted to online channels. In our view, Inditex's online business is performing very well, but its sizeable offline network of stores (totaling more than 6,700 globally) is a headwind to growth. Meanwhile, we trimmed the weight of **LVMH Moet Hennessey** to capitalize on post-pandemic share price gains.

In turn, we added to our position in **Temenos**—a global leading software provider to the banking and financial industry—as we have received further confirmation that the business is gaining additional traction in the cloud and across U.S. markets in recent quarters. As with our addition to **Evolution AB**, our increase is based on our conviction that earnings growth will remain robust and that the company's recent investments in new studios and acquisitions will help expand the its competitive advantages.

We also added to **Siemens Healthineers**, which is now one of our top five holdings. The company is a crucial player in healthcare imaging and diagnostics equipment. After its recently closed acquisition of Varian Medical Systems, it is also now a leader in linear accelerators for radiotherapy. We believe this acquisition will make Siemens Healthineers more competitively advantaged and provide the business with opportunities to generate additional revenue and cost synergies.

Similarly, we increased our position in **ASML Holding** given our view that the company is both well-positioned strategically and seeing a multi-year surge of business momentum.

> **ASML is a monopoly supplier of leading-edge lithography systems, a critical technology to chip manufacturers.**

Meanwhile, we have owned **Amadeus IT Group** since the strategy's inception but trimmed our position in June 2020 as the health crisis worsened. We believed the business would be significantly impacted at the time, but both the duration of the pandemic and the extent of the impact were uncertain. A year and a half later, we now have a clearer sense of the pandemic's effects on travel and are taking the opportunity to increase our position size.

Outlook

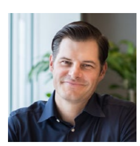
Despite the lingering uncertainties clouding the near-term outlook, we remain optimistic about the future and expect normalized economic conditions to return as the health situation improves. In the interim, we draw confidence from the robust results the Portfolio's companies are reporting. Further, we note the Portfolio's prospective earnings growth is higher than at any point in the last five years. It may take time to see supply chain disruptions, labor shortages, and other pandemic issues resolved, but our process remains centered on maintaining a portfolio geared for compelling levels of growth delivered by what we believe to be competitively advantaged, high-quality companies.

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

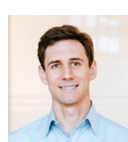
Sincerely,

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 June 30, 2021. 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