

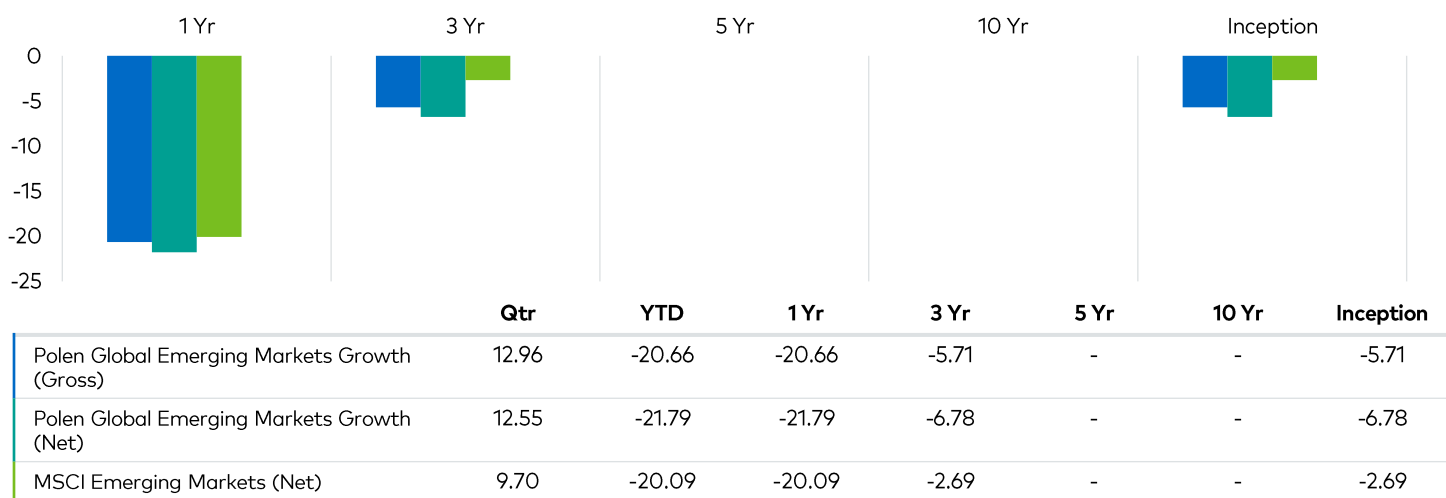
Polen Global Emerging Markets Growth

Portfolio Manager Commentary – December 2022

Summary

- During the fourth quarter of 2022, the Polen Global Emerging Markets Growth Composite Portfolio (the "Portfolio") returned 12.96% gross and 12.55% net of fees, respectively, versus the 9.70% return for the MSCI Emerging Markets Index (the "Index").
- Heightened geopolitical uncertainty, persistent inflation, rising rates, and concerns about slower global growth continued to be the primary sources of volatility.
- The top absolute contributors to returns over the fourth quarter included Tencent Music, NagaCorp, and Prosus. The top absolute detractors included Mobile World Investment Corp, Mongolia Yili, and Tingyi.
- We made several trades over the quarter, taking advantage of what we believe are significant dislocations in share prices.
- While we believe that share prices do not always reflect business fundamentals in the near term, we are confident in our Portfolio holdings' long-term prospects and excited about the opportunities we see in emerging markets.
- Despite the market's short-term preferences and gyrations, we remain focused on finding companies with competitive advantages that we believe can compound earnings and cash flows over the long term.

Seeks Growth & Capital Preservation (Performance (%) as of 12-31-2022)



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. Performance figures are presented gross and net of fees and have been calculated after the deduction of all transaction costs and commissions, and include the reinvestment of all income. 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. Opinions and views expressed constitute the judgment of Polen Capital as of the date herein, may involve a number of assumptions and estimates which are not guaranteed, and are subject to change.

All company-specific information has been sourced from company financials as of the relevant period discussed.

Commentary

Global stock indices bounced back in the fourth quarter, and emerging markets were no exception. Our strategy returned double digits, outperforming the broader market. The fourth quarter echoed themes that endured throughout the year, and despite the positive return, 2022 ended with the largest annual decline since 2008.

While top-down themes continue to heavily influence markets, as they become more discrete, we expect a return to fundamentals to reward our style of investing. We invest in businesses that have—and we continue to expect to—compound earnings at healthy double-digit rates. The more rational that markets become, the more the returns of our strategy should converge with the robust underlying performance of our companies.

We believe the Portfolio is set to deliver attractive earnings growth over the next couple of years and is currently trading at extremely attractive levels. In our opinion, the current environment is close to the cheapest we have seen for a portfolio of quality growth emerging market business since the financial crisis in 2008-2009.

During the quarter, the team made several trips to visit companies and met on the ground with over 40% of the Portfolio in recent months.

The latest trip included some time in Vietnam, our second largest geographic exposure behind China. Vietnam was one of the world's fastest growing economies in 2022 and is set to be so again in 2023. It is an economy in the midst of a structural boom and is one of the fastest-growing economies globally on a multiyear basis. At the same time, it is currently at the apex of a mini credit crunch. Over the medium term, we believe the structural growth story will likely prevail. We would be surprised if the current sell-off does not go down as a great buying opportunity for Vietnamese and Emerging Market investors.

While most countries have now put COVID-19 behind them, one standout has been China which had been determined to see through its zero COVID policy. Experience globally has shown this to be an unsustainable strategy, and during the quarter, due to social pressures, China finally relented and has started to relax some of its restrictions. Hopefully, the relaxation should lead to an improved growth outlook, and we look forward to getting back on the ground in China as soon as possible.

A lot of the negative sentiment in China over the past few years has led to severe dislocations in share prices. As a result, many Chinese companies have been trading on historically low valuations. This contrasts with other markets such as India, which seem to be swimming in a different stream to most global markets, and valuations currently appear very rich.

As such, the fund has been actively reducing its exposure to companies, particularly in India, where growth expectations and valuations have become somewhat misaligned, and relocating that capital to companies, many in China, where that same trade-off looks very attractive.

Though we think that financial market volatility could persist for some time, we believe that the current environment represents a fantastic time to invest in high-quality companies across emerging markets, particularly relative to the broader universe. We own a concentrated portfolio of businesses that we believe will continue to compound their intrinsic value at attractive rates annually to the end of the decade at least. If global economic conditions weaken, we expect our holdings to separate themselves from the pack further.

Portfolio Performance & Attribution

Over the fourth quarter of 2022, the Polen Global Emerging Markets Growth Composite Portfolio (the "Portfolio") returned 12.96% gross and 12.55% net of fees, respectively, outperforming the MSCI Emerging Markets Index (the "Index"), which returned 9.70%.

Outperformance was primarily driven by superior stock selection in the Communication Services and Financials sectors, which outweighed weaker selection in the Consumer Discretionary sector. Sector allocation marginally contributed to relative returns as the benefit of our overweight in Communication Services and zero weight in Energy outweighed the negative impact of being overweight Consumer Staples and having zero weight in Materials. As a reminder, our sector positioning is driven entirely by bottom-up stock selection decisions.

From an absolute return perspective, our most significant contributors to performance over the fourth quarter were **Tencent Music, Nagacorp, and Prosus.**

Tencent Music, China's equivalent to Spotify, almost doubled over the quarter after reporting third-quarter earnings, with revenues and margins coming in better than expected. The company trades on very attractive valuations, and some of the mispricings we have discussed for a while have started to be realized by the broader market.

We think Tencent Music still has a long runway for growth in its core business, supported by a rise in paying users, an increase in the monthly subscription price, and a rising share of the music advertising market.

Cambodian Casino operator, **NagaCorp**, started the quarter in negative territory after the company was downgraded by Moody's, who warned the company faces refinancing risks due to a slower COVID-19 recovery trajectory. The stock, however, saw a sharp rebound in early November, boosted by optimism over recovering local demand and international arrivals, particularly with China showing signs of loosening activity restrictions. While a higher long-term growth opportunity for NagaCorp relies on a return of Chinese tourists, we believe the stock's valuation more than compensates for this risk.

As one of the largest shareholders in Tencent, the share price of **Prosus**, was boosted during the quarter by positive signs of loosening restrictions in China. We still believe Prosus to be a solid long-term investment, and as the company sells down its Tencent holding and buys back shares, it could materially reduce the holding-company discount it currently trades at.

The most significant absolute detractors from performance over the quarter were **Mobile World Investment Corp**, **Inner Mongolia Yili**, and **Tingyi**.

Mobile World is the largest retailer in Vietnam, selling mobile phones, consumer electronics, and groceries. Most Vietnamese equities have been weak recently due to liquidity issues at the retail investor level on the back of real estate problems in the country. This is unrelated to fundamentals, and we continue to think that the company is moving in the right direction, and valuations remain very attractive. While earnings growth has been slower than expected due to the restructuring of the grocery business, this is well aligned with management's sensible approach to expansion.

Yili, the leading Chinese dairy company, reported softer quarterly sales growth. Revenue came in below expectations due to COVID-related headwinds, and profitability was impacted by more significant advertising spend. We are careful not to read too much into quarterly numbers, which can often be volatile in nature.

As the leading dairy company in China, with a strong focus on product quality, we believe Yili still has a robust long term growth trajectory due to rising purchasing power and increased consumer awareness of the health benefits of dairy consumption.

Tingyi is the largest food and beverage company in China, with particular strength in the instant noodles category. The stock was weak despite no notable news flow. We sold our position in mid-December. The rationale is in the portfolio activity section below.

Portfolio Activity

During the quarter, we made several trades, taking advantage of what we believe are some significant dislocations in share prices.

We initiated four new positions over the quarter; **Las Vegas Sands**, **Dino Polska**, **dLocal**, and **Bank Central Asia**.

Las Vegas Sands is the premier casino business in Asia, with two of the region's top properties and a leading management team. The business has struggled in recent times on account of the pandemic. Still, its Singapore operation has recovered, and we believe that Macau, in a post-COVID world, should also be highly lucrative. We believe the shares are trading at an attractive valuation, and once the business recovers to 2019 levels, we think it can continue to grow steadily in the 15% range for several years. On a normalized business, we can expect LVS to generate a return on invested capital (ROIC) of more than 20%, a highly attractive dynamic given the significant structural growth potential.

Dino Polska is a Polish supermarket chain operating over 2000 standardized stores in the discount proximity format. Unlike its peers, Dino focuses purely on the rural Polish consumer, and its format has remained unchanged since its founder finessed the formula in 2010. Since listing in 2017, store numbers have compounded at 24%, sales at 37%, earnings at 44%, and the share price at 49% while averaging a 19% return on invested capital according to our research. We believe that Dino can continue compounding its cash flows at circa 20% for at least the next five years.

dLocal is a payments processing company headquartered in Uruguay that was founded in 2016. It focuses on processing online payments for large, multinational enterprise customers in Emerging Markets, enabling them to seamlessly make and receive payments in more than 35 countries across 700 payment methods in any currency. Solving this issue has allowed the business to proliferate to a Total Processing Volume of USD 6 billion in 2021, just five years after its formation. We expect the company to continue to compound at attractive rates over the coming years. Following recent negative sentiment around the stock, we took advantage of share price weakness to take a position in what we believe can be one of the fastest-growing and value-accretive companies in emerging markets.

Finally, we started a position in **Bank Central Asia** ("BCA"), an Indonesian bank. It is generally harder to find what we would define as high-quality companies in the financial sector due to their more commoditized and cyclical nature. However, there are some exceptions, and alongside HDFC Bank (our investment in India) BCA is, in our opinion, the other highest-quality banking franchise in our investment universe. BCA is the leading private sector bank in Indonesia and, similarly to HDFC, has a strong competitive advantage in its liability franchise, risk management culture, and in BCA's case, technology focus and customer-centricity. The company also benefits from a stable management team and attractive growth opportunities, given the under-penetrated nature of the Indonesian financial sector.

To fund these new positions, we sold out of three holdings. We sold our shares in **Colgate-Palmolive India**, given that our conviction in its long-term trajectory has deteriorated, and its shares remain at elevated multiples. This is at a time when we see considerable opportunities in existing holdings as well as potential candidates. The spread between the unexciting expected returns at Colgate India and other compelling options we see elsewhere has widened. We decided to move on from Colgate India and allocate to what we view as superior alternatives.

The rationale was similar for **Tingyi**, China's largest food and beverage company. We owned Tingyi for the healthy earnings and cash flow growth the company has generated mainly from self-help. However, the self-help path the company has been on appears to be over. From now on, we expect we will start to see a deterioration in cash flows and have already started to see the early signs with free cash flow in 2021 ticking down again for the first time in 5 years. Without optimal capital allocation, we believe Tingyi is just a low/no growth consumer staples business.

Finally, we sold our position in **Home Product Center**, the leading home improvement store in Thailand, as we believe this capital is better allocated to other investments.

In addition to these buys and sells, we made several adjustments in the Portfolio mid-way through the quarter as we believed certain companies were trading at generationally attractive levels. This included **Autohome** and **Tencent Music**, which were trading for little more than the value of their cash holdings and investments. Autohome, in particular, was trading at close to zero Enterprise Value, meaning that its cash pile was equivalent to its market cap. Meanwhile, Tencent Music was trading at such a low price relative to its cash pile that its buyback yield was over 25%. We also added to some structural growth businesses, including **Wizz Air**, **Mobile World**, and **NagaCorp**, trading at somewhere between 4-10x normalized earnings. We view valuations like this as significantly removed from fundamentals and have made adjustments to increase our ownership in these names. There haven't been many periods in the past where we have seen such attractive opportunities.

On the other side, we reduced our exposure from areas of the Portfolio where we felt valuations were significantly more demanding, such as in India and Brazil. This includes **United Spirits**, **Titan**, and **Raia Drogasil**. At a top level, we have many companies in our Portfolio where our models forecast large expected returns and others where valuations mean our expectations are more moderate. Simply, we are moving money from the latter to the former. These trades reflect these views.

Towards the end of the period, we trimmed back our positions in **Tencent Music** and **NagaCorp** to 5% after the large share price moves. We used the capital to add to Chinese video games producer **NetEase**, which has missed the rally and remains at an attractive valuation. With the shares currently trading at low teens multiples and future returns likely to be supplemented by healthy buybacks and dividends, we think we are looking at a highly attractive long-term return outlook.

Outlook

As investors, we focus our attention on long-term fundamentals rather than market gyrations which can either work for or against the Portfolio in the short term. This is particularly true in emerging markets, where unique risks arise from time to time that can create bumps in the road. These headwinds are often difficult to predict in both timing and scale, so we focus our research on long-term structural themes that have the potential to prevail over multiple years, regardless of the near-term backdrop.

Our conviction in our businesses' competitive advantages, sustainability, and durability remains high, and we believe the Portfolio is well-positioned to navigate the future. Looking ahead, we remain dedicated to finding companies with competitive advantages that we believe can compound earnings and cash flows over the long term, independent of commodity swings or economic cycles. Given the power of compounding over time, we think that once we invest in great businesses, the best path forward is to stay the course through a long-term approach.

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

Experience in High Quality Growth Investing



Damian Bird, CFA

Head of Team, Portfolio Manager & Analyst
14 years of experience



Dafydd Lewis, CFA

Portfolio Manager & Analyst
17 years of experience

GIPS Report

Polen Capital Management
Global Emerging Markets Growth Composite—GIPS Composite Report

Year End	UMA		Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation ¹	
	Total (\$Millions)	Assets (\$Millions)	Assets (\$Millions)	U.S. Dollars (\$Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	MSCI Emerging Markets (%)	Composite Dispersion (%)	Polen Gross (%)	MSCI Emerging Markets (%)
2021	82,789	28,884	53,905	2.28	1	-8.97	-9.87	-2.53	N/A	N/A	N/A
2020	59,161	20,662	38,499	2.51	1	16.05	14.90	18.33	N/A	N/A	N/A

Performance % as of 12-31-2021:

(Annualized returns are presented for periods greater than one year)

	1 Yr	5 Yr	10 Yr	Inception
Polen Global Emerging Markets Growth (Gross)	-8.97	-	-	2.78
Polen Global Emerging Markets Growth (Net)	-9.87	-	-	1.76
MSCI Emerging Markets (Net)	-2.53	-	-	7.37

¹A 3 Year Standard Deviation is not available for 2020 and 2021 due to 36 monthly returns are not available.

N/A - There are five or fewer accounts in the composite the entire year. Total assets and UMA assets are supplemental information to the GIPS Composite Report. 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 Global Emerging Markets Growth Composite created and inception on January 1, 2020 contains fully discretionary emerging markets growth equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against the MSCI Emerging Markets Index. Effective January 2022, fully discretionary equity accounts managed as part of our Global Emerging Markets Growth strategy that adhere to the rules and regulations applicable to registered investment companies subject to the U.S. Investment Company Act of 1940 were included into the Global Emerging Markets Growth Composite. The accounts comprising the portfolios are highly concentrated and are not constrained by EU diversification regulations.

Polen Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Polen Capital Management has been independently verified for the periods April 1, 1992 through December 31, 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. Polen Capital Management invests exclusively in equity portfolios consisting of high-quality companies but also has a subsidiary, Polen Capital Credit, LLC, that specializes in high yield securities and special situations investing. 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. Effective January 1, 2022, composite policy requires the temporary removal of any portfolio incurring a client initiated significant net cash inflow or outflow of 10% or greater of portfolio assets. 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 either actual management fees or highest fees for fund structures. 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 investments, and preparing GIPS Reports are available upon request.

The separate account management fee schedule is as follows:

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

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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.

The per annum fee schedule for managing the Polen Global Emerging Markets Growth Fund, which is included in the Global Emerging Markets Growth Composite, is 100 basis points (1.00%). The total annual fund operating expenses are up to 150 basis points (1.50%). As of 4/30/2022, the mutual fund expense ratio goes up to 1.50%. This figure may vary from year to year.

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. Portfolio returns are net of all foreign non-reclaimable withholding taxes. Reclaimable withholding taxes are reflected as income if and when received. 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 Emerging Markets Index is a market capitalization weighted equity index that measures the performance of the large and mid-cap segments across emerging market countries. The index is maintained by Morgan Stanley Capital International.

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.