Polen Focus Growth

Portfolio Manager Commentary – December 2024

Summary

- Over the past two years, U.S. equities have enjoyed a historic run of performance. As one measure, the Russell 1000 Growth Index (the "Index") was up +91% cumulatively from 2023-2024, marking the best two-year stretch since the 1987 Index inception. The seven highest two-year returns for the Russell 1000 Growth have come either in the last five years or during the late 1990s technology bubble (roughly 1995-2000).

- The recent Russell 1000 Growth returns are heavily impacted by the "Magnificent 7," now representing 56% of its weight, while the top ten holdings together make up over 60% of the Index. While the Magnificent 7 has lived up to its lofty moniker, we've reached a point in the past few quarters where this growth slowed.

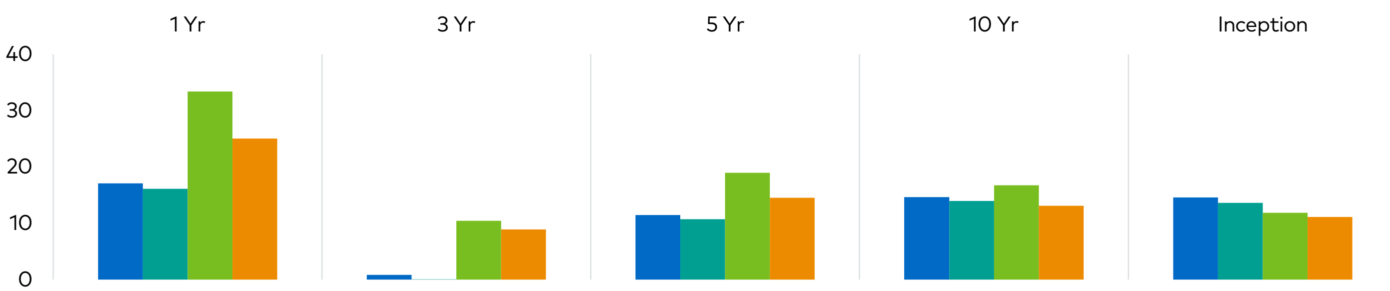
- In the fourth quarter of 2024, the Polen Focus Growth Composite Portfolio (the "Portfolio") returned 4.9%. This result was better than the S&P 500 return of 2.4% but below the 7.1% return of the Russell 1000 Growth Index.

- The top relative contributors to the Portfolio's performance were Shopify, Amazon, and ServiceNow. The top absolute contributors were Amazon, Shopify, and Netflix.

- The largest relative detractors in the quarter were Tesla (not owned), Thermo Fisher Scientific, and Broadcom (not owned). The largest absolute detractors were Thermo Fisher Scientific, Zoetis, and Adobe.

- Our objective since the 1989 inception of our Focus Growth approach has been to deliver mid-teens returns on the back of mid-teens earnings growth over the long term. Our historical record bears this out. We remain committed to adhering to this approach rather than attempting to optimize the Portfolio for the prevailing market narrative that can, and often does, change quickly.

Seeks Growth & Capital Preservation (Performance (%) as of 12-31-2024)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception^ (1-1-1989)
Polen Focus Growth (Gross)	4.88	17.10	17.10	0.82	11.46	14.64	14.57
Polen Focus Growth (Net)	4.65	16.14	16.14	0.02	10.70	13.97	13.60
Russell 1000 Growth	7.07	33.36	33.36	10.46	18.94	16.76	11.85
S&P 500	2.41	25.02	25.02	8.93	14.51	13.09	11.14

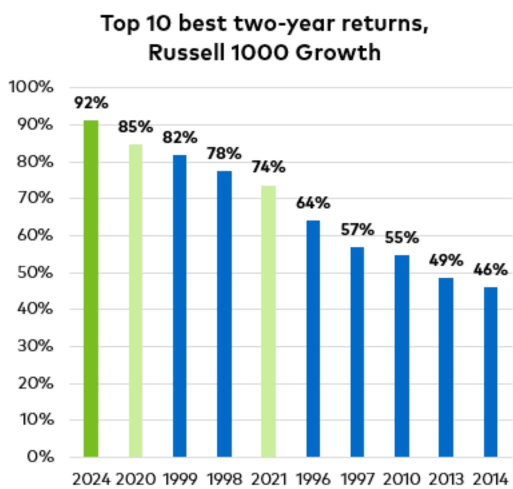
The performance data quoted represents **past performance and does not guarantee future results.** ^The performance presented prior to April 1, 1992, is not in compliance with the GIPS Standards. Current performance may be lower or higher. Periods over one-year are annualized. Performance figures are 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. Contribution to relative return is a measure of a securities contribution to the relative return of a portfolio versus its benchmark index. The calculation can be approximated by the below formula, taking into account purchases and sales of the security over the measurement period. Please note this calculation does not take into account transactional costs and dividends of the benchmark, as it does for the portfolio. Contribution to relative return of Stock A = (Stock A portfolio weight (%) - Stock A benchmark weight (%)) x (Stock A return (%) – Aggregate benchmark return (%)).

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

Commentary

Over the past two years, U.S. equities have enjoyed a historic run of performance. As one measure, the Russell 1000 Growth Index was up +91% cumulatively from 2023-2024, marking the best two-year stretch since the inception of the Index in 1987 (see below chart). It is also intriguing to note that the seven highest two-year returns for the Russell 1000 Growth have come either in the last five years or during the late 1990s technology bubble. After 1999, the following two-year return was -20%. While the exuberance we see today from AI and the Trump victory has not yet reached tech bubble extremes, valuations have risen. This could become problematic, particularly if inflation ticks up, which would likely cause bond yields to rise from here and P/E multiples to fall. We continue to manage the Portfolio with care to provide consistent earnings growth and durable returns.



As of December 2024. Source: Bloomberg. Returns date back to Russell 1000 Growth inception of January 1987.

Delving deeper into today's Russell 1000 Growth Index, it quickly becomes evident that the headline returns diverge meaningfully from the experience of the average stock in the Index. To put a finer point on this, only 14% of Russell 1000 Growth constituents have outperformed the overall Index return of the past two years, with two-thirds of that return coming from the so-called "Magnificent 7," which now accounts for 56% of the Index weight. The top ten holdings comprise over 60% of the Index weight. This means ten of the 394 stocks now account for greater than 60% versus less than 40% for the remaining 384 stocks. Only a few years ago, the top ten holdings accounted for just over 20% of the Index weight, a more normal figure for many years. Our Portfolio has always been concentrated, with roughly 20-25 holdings, with the top 10 routinely accounting for approximately 60% of our Portfolio. Indexes are meant to serve as investment alternatives that provide investors with broad exposure to a market or part of the market. According to Russell itself, the Russell 1000 Growth Index "…is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment (of the U.S. equity universe)." In our opinion, it is clearly not achieving this goal currently, with 60% of its weighting in nine large technology companies.

While the Magnificent 7 has undeniably lived up to its lofty moniker—effectively driving all the Index's earnings growth in recent years—we've now reached a point in the past few quarters where this growth has begun to slow.

To be clear, the absolute growth remains strong for many of these businesses, but there's a clear trend towards deceleration. Simultaneously, valuations for most of these companies and the overall Index are historically high—only surpassed by the late 90's tech bubble and more recently amidst the pandemic in 2021 in the case of the Index. In short, this suggests expectations have largely caught up to the outsized earnings growth for some of these businesses, resulting in a high bar from here.

If we pull on this thread a little more, it also suggests that earnings growth will need to be the primary returns driver going forward. Said differently, more than half of the Index return over the past two years has derived from P/E multiple expansion. While it's well known that valuation is not a short-term timing mechanism, over the longer term, it may signal a likely headwind to returns should earnings growth prove anything less than exceptional.

Turning to Focus Growth, this should all bode well for our future performance relative to this Index. Our objective since the 1989 inception of the approach has always been to deliver mid-teens returns on the back of mid-teens earnings growth over the long term. Our historical record bears this out—the Focus Growth Composite has delivered a +14.6% gross (13.6% net) return since inception on the back of mid-teens earnings growth. Importantly, this mid-teens earnings growth has been driven by companies with durable and consistent revenue and earnings growth—not the dramatic peaks and valleys cyclical businesses tend to exhibit. This means that at points in time—as in 2003-2005 and again in 2012-2014—it will feel like we are driving in the slow lane. But it is just this sort of durable mid-teens earnings growth through time that has led to our mid-teens returns track record over three and a half decades. As such, we remain committed to adhering to this approach rather than attempting to optimize the Portfolio for the prevailing market narrative that can, and often does, change quickly.

Portfolio Performance & Attribution

In the fourth quarter of 2024, the Polen Focus Growth Portfolio returned 4.88% gross of fees, and 4.65% net of fees. This result was better than the S&P 500 return of 2.4% but below the 7.1% return of the Russell 1000 Growth Index. Top relative contributors to the Portfolio's performance were **Shopify**, **Amazon**, and **ServiceNow**. The top absolute contributors were **Amazon**, **Shopify**, and **Netflix**.

Shopify, a new addition to the portfolio in the second quarter, represented the top contributor to relative performance in the fourth quarter. The company is firing on all cylinders and the stock responded, up 21% on the back of its latest set of strong results. Gross Merchandise Value (GMV) growth accelerated despite a tough YoY comparison, +24%. The company is experiencing strength across its Shopify Plus enterprise business, offline point of sale ("POS") segment, and international and "B2B" segments. With several powerful tailwinds at their back (eCommerce, mobile commerce, social media, digital payments, seamless omnichannel, DTC, cloud software digitization) and a highly scalable business model, we think Shopify is exceptionally well-positioned for where the world is heading, with growth likely stronger for longer than investors expect.

Consistent with our thesis, **Amazon** has continued to see operating margins expand, hitting 11% in the most recent quarter after bottoming around 2% at the end of 2022. This march higher in margins stems from a mix shift towards faster-growing, higher-margin segments like Amazon Web Services (AWS) and Advertising, combined with better fulfillment efficiency in the e-commerce business following significant investments in recent years. Further, speaking to its runway ahead, CEO Andy Jassy noted the company's AI business is a "multi-billion-dollar business growing triple digits," 3x faster than AWS did itself at the same stage in its evolution. While we trimmed our position during the quarter, Amazon remains our largest position, as we expect approximately 20% earnings growth over the next five years driven by a mix of solid organic revenue growth and continued margin expansion.

Similar to last quarter, **ServiceNow** was a top relative contributor, a testament to the consistent, high-level execution they've demonstrated over the past several years. The company's latest earnings report highlighted across-the-board strength, with better-than-expected results across key metrics such as renewal rates, subscription growth, average contract value growth per $1M+ customer, etc. This is a company on offense, attacking a large and growing addressable market and positioning it for a long growth runway—especially considering their early success at integrating GenAI capabilities, which should only drive increasing workflow efficiencies for customers in the years ahead.

Beyond these top relative contributors, it's worth noting **Netflix** as a top absolute contributor as the company continues to extend its lead over its streaming competitors as evidenced—among other things—by 10% YoY subscriber growth in North America, its most mature market. Customers are clearly finding significant value in **Netflix**'s content offering, and that—along with opportunities to scale the advertising-based video-on-demand segment—should drive healthy double-digit earnings growth for the foreseeable future.

The largest relative detractors in the quarter were **Tesla** (not owned), **Thermo Fisher Scientific**, and **Broadcom** (not owned). The largest absolute detractors were **Thermo Fisher Scientific**, **Zoetis**, and **Adobe**.

We've spoken at length about our rationale for not owning **Tesla**. The stock enjoyed a 54% return during the quarter, with effectively all of the share price performance strength coming in the post-election period, as the market expressed a positive view on Elon Musk's prominent role in the incoming Trump administration and its potential implications for Tesla. While we agree this development should be a net positive for Tesla and recognize the company's interesting future prospects for autonomous driving and humanoid robots, its current valuation demands that shareholders pay primarily for potential innovations that have yet to materialize, with uncertain risks and timelines, presenting a different type of risk profile than we are comfortable with. Today, Tesla is an automobile manufacturer limited to the higher-income segment and is increasingly challenged to sell vehicles when interest rates are not zero. As such, we continue to question the company's long-term growth profile, its ability to scale a large robotaxi service (which seems to be the source of euphoria in Tesla shares), and its corporate governance.

Thermo Fisher Scientific appears to continue to move past COVID-related headwinds that hampered growth in recent years. While the backdrop around big pharma budget cuts and a weaker biotech funding environment have weighed on the stock over the past year, Q4 underperformance seems more related to concerns over increased regulatory scrutiny under the new administration, given RFK Jr.'s appointment as the Trump administration's head of U.S. Health and Human Services, and his vocal pronouncements against pharmaceutical industry drug pricing. In tough times, pharma and biotech companies lean on suppliers that can deliver the best value. We believe Thermo has a vast offering of products and services bundled at prices that competitors have a hard time matching, allowing them to take significant market share. We maintain our long-term conviction in Thermo as among the most durable compounders in the world, with the ability to drive consistent growth through good and bad macro environments.

Broadcom (not owned) was another notable relative detractor in the period, owing to a strong earnings report highlighting a demand surge in its AI chip business and a significant ramp-up in its long-term guidance, projecting the AI revenue opportunity to grow to $60-90B in 2027 from $12B in 2024. While Broadcom possesses many compelling assets, it has operated as a highly cyclical semiconductor business that has also been highly acquisitive. We prefer organic and durable growers, but we acknowledge that Broadcom's assembled assets have advantages in a generative AI world and they have leaned heavily on raising customer prices of its acquired software businesses like VMWare to help grow earnings.

Zoetis and Adobe were also notable absolute detractors. **Zoetis** has been posting excellent growth on the back of its pain and dermatology franchises for quite some time, and its core companion animal business has been firing on all cylinders. Despite this, the stock has come under pressure due to concerns about the growth prospects of Librela, its biologic drug for pain in dogs (as well as Solensia, the sister drug for cats). There has been some concern about the side effects of these drugs, but the data disclosed thus far shows a very low level of adverse events, with drugs that prove highly effective in treating pain. We expect strong growth from these and other drugs currently marketed by Zoetis, with more to come from its prolific pipeline. We used the recent weakness to add to our position. **Adobe** is another holding that's come under pressure this year due to concerns about delays in the company's ability to monetize its generative AI Firefly offering. Our research suggests that even if open-source generative AI tools proliferate, creative professionals will still need to curate and edit that content in Adobe tools.

Portfolio Activity

In the fourth quarter, we initiated a new position in **CoStar Group** and did not eliminate any positions. We also added to our positions in **Oracle**, **Zoetis**, and **Eli Lilly**, and trimmed positions in **UnitedHealth Group**, **Amazon**, **ServiceNow**, and **Gartner**.

We initiated a position in **CoStar Group** after a significant pullback post-3Q24 earnings. CoStar Group is a leading provider of commercial real estate information, analytics, and online marketplaces, empowering clients with comprehensive data and technology solutions to make informed business decisions. The vast majority of the company's revenue and profits come from its monopoly-like CoStar Suite (the go-to information source for the U.S. commercial real estate market) and Apartments.com, an advantaged player in the duopolistic U.S. apartment rental market. There are very high barriers to entry and network effects in these businesses, and both are double-digit growers with over 40% profit margins and very high levels of recurring revenue. We believe the price at which we acquired CoStar reflects the value of these two core businesses, leaving significant upside potential from numerous other growth drivers in earlier stages of development. In particular, Homes.com—CoStar's residential real estate marketplace—is a source of heavy investment that is materially depressing the company's overall profit margins in the near term. However, leading indicators of success are already emerging, and we expect Homes.com to contribute meaningfully to future growth and at high margins. If, for some reason, they don't succeed, we would expect the investment to be curtailed, and the core profitability to shine through again. CoStar has a cash-rich balance sheet, high recurring revenue, and the ability to compound revenue and earnings for many years to come.

We added to several existing positions in the quarter including Oracle, Zoetis, and Eli Lilly. **Oracle** was a recent addition to the portfolio last quarter, and results so far indicate an accelerating trajectory that we expect will continue for many years. The company's OCI (Oracle Cloud Infrastructure) cloud infrastructure business enjoys large and durable advantages and is seeing much demand for normal cloud workloads with generative AI training and inference workloads as nice potential optionality on the upside. As noted earlier, while **Zoetis** has posted excellent growth in recent quarters, the stock has come under pressure over concerns related to the growth prospects of its biologic drug for pain in dogs. We used this weakness as an opportunity to add to the position. **Eli Lilly** has come under pressure from a series of headlines that we believe are non-issues, and we took advantage of the price decline to add to our position. In its most recent earnings report, the company's GLP-1 revenue growth was slightly below expectations even though the absolute level of growth was excellent. Secondly, the appointment of RFK Jr. as head of the U.S. Department of Health and Human Services in the upcoming Trump administration has also weighed on sentiment given Kennedy's vocal criticism of GLP-1s and drug pricing in general. We do not see any potential policy change that would likely reduce the overall demand for GLP-1 drugs nor a significant reduction in the revenue growth potential of Eli Lilly.

We trimmed our positions in UnitedHealth Group, Amazon, ServiceNow, and Gartner during the quarter. We trimmed our position in **UnitedHealth** to fund the purchase of CoStar Group. Despite short-term margin headwinds, our long-term expectations for UnitedHealth Group remain virtually unchanged, with the trim simply reflecting what we view as a superior investment alternative. **Amazon** continues to deliver excellent results with all businesses growing robustly and profit margins expanding. When we significantly increased Amazon's weighting in the portfolio about two years ago, its operating margins were at 2%, and we anticipated they would expand to the mid-teens over the next few years. Today, they stand at 11%, and we expect them to expand closer to the high-teen level in the next few years. The earnings growth potential from here is roughly 20% per annum based on our expectation for revenue and profit margin expansion. While this still represents excellent potential and Amazon remains our largest position, we no longer feel it merits a maximum position size. As such, we used the proceeds to add to Oracle, Zoetis, and CoStar Group. ServiceNow and Gartner were valuation-related trims. With **ServiceNow**, we still expect 20%+ revenue and earnings growth for the foreseeable future. Still, the strong stock price performance has reduced the future return potential somewhat, and we used the proceeds to add to our Eli Lilly position. Similarly, with **Gartner**, we felt it prudent to trim the position as the stock trades above 40x earnings and 35x free cash flow at a time when the business is growing below our longer-term expectations.

Outlook

Index concentration and higher valuations are symptomatic of a frothy equity market that has stormed back following a difficult 2022. At the same time, the policy direction of our incoming President seems to indicate the possibility of hotter inflation than we would expect otherwise. If inflation does tick up, equity prices could be vulnerable, given the lofty valuations in the top-heavy Index. On the other hand, inflation has come down (for now at least), and friendlier economic policy and technology gains that may lead to productivity benefits could help accelerate GDP growth. The market valuations seem to imply the latter scenario is more likely. We are actively managing our Portfolio to allow for continuous compounding over the long term, anticipating that we will be investing through both healthy and difficult economic environments. While our nearly 60% cumulative return over the last two years may seem pedestrian versus the Russell 1000 Growth Index, we expect our constituent holdings to provide much more durable long-term returns as they have over our time-tested track record.

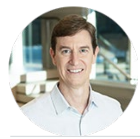
We remain focused on protecting and growing our clients' capital in a disciplined and consistent manner, driven by the fundamentals of our Portfolio holdings. Thank you for your interest in Polen Capital and the Focus Growth strategy. Please feel free to contact us with any questions or comments.

Sincerely,

Dan Davidowitz, Damon Ficklin and Brandon Ladoff

Experience in High Quality Growth Investing

Dan Davidowitz, CFA
Portfolio Manager & Analyst
25 years of industry experience



Damon Ficklin
Head of Team, Portfolio Manager
23 years of industry experience

Brandon Ladoff
Head of Sustainable Investing, Portfolio Manager & Analyst
11 years of industry experience

Large Company Growth Team Update

We are adjusting some roles and responsibilities on our team starting in 2025. Effective January 1, Daniel Fields serves as Director of Research, replacing Bryan Power, who will maintain his role as co-Portfolio Manager on the Polen Global Growth strategy, along with Damon Ficklin. Effective March 31, Brandon Ladoff will transition off the Polen Focus Growth strategy to focus on an incubation portfolio with the goal of helping us identify future growth opportunities for our clients. Dan Davidowitz and Damon Ficklin will continue to manage Polen Focus Growth. Lauren Harmon is promoted to Director of Sustainable Investing, as of January 15, assuming leadership of our Sustainable Investment team from Brandon.

Important Disclosures & Definitions:

Disclosure: This commentary is very limited in scope and is meant to provide comprehensive descriptions or discussions of the topics mentioned herein. Moreover, this commentary has been prepared without taking into account individual objectives, financial situations or needs. As such, this commentary is for informational discussion purposes only and is not to be relied on as legal, tax, business, investment, accounting or any other advice. Recipients of this commentary should seek their own independent financial advice. Investing involves inherent risks, and any particular investment is not suitable for all investors; there is always a risk of losing part or all of your invested capital.

No statement herein should be interpreted as an offer to sell or the solicitation of an offer to buy any security (including, but not limited to, any investment vehicle or separate account managed by Polen Capital). Recipients acknowledge and agree that the information contained in this commentary is not a recommendation to invest in any particular investment, and Polen Capital is not hereby undertaking to provide any investment advice to any person. This commentary is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

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The Russell 1000® Growth Index is a market capitalization weighted index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The index is maintained by the FTSE Russell, a subsidiary of the London Stock Exchange Group.

The S&P 500 Index The S&P 500® Index is a market capitalization weighted index that measures 500 common equities that are generally representative of the U.S. stock market. The index is maintained by S&P Dow Jones Indices. The performance of an index does not reflect any transaction costs, management fees, or taxes.

Past performance is not indicative of future results.

Source: All data is sourced from Bloomberg unless otherwise noted. All company-specific information has been sourced from company financials as of the relevant period discussed.

Definitions:

Magnificent 7: a term popularized to describe a set of the most dominant U.S. stocks, largely focused in the technology sector. The names that compromise the Magnificent 7 are Microsoft Corp. (MSFT), Amazon.com Inc (AMZN), Meta Platforms Inc. (META), Apple Inc. (AAPL), Alphabet Inc. (GOOG), Nvidia Corp. (NVDA), Tesla Inc. (TSLA).

P/E multiples: a valuation metric used to assess how much investors are willing to pay for each dollar of a company's earnings.

P/E multiple expansion: an increase in a stock's price-to-earnings (P/E) ratio, which typically occurs when the stock price rises faster than its earnings growth or when the price remains stable but earnings decline.

Headwind: refers to factors or conditions that can impede the performance or growth of investments, sectors, or entire economies. These obstacles could be economic, political, or market-related and can affect investment returns negatively.

Tailwind: refers to favorable conditions or factors that can propel asset prices or financial markets upwards. These can include economic growth, technological advancements, regulatory changes, or other external influences that enhance the performance of investments.

Contribution to relative return: a measure of a security's contribution to the relative return of a portfolio versus its benchmark index. The calculation can be approximated by the below formula, taking into account purchases and sales of the security over the measurement period. Please note this calculation does not take into account transactional costs and dividends of the benchmark, as it does for the portfolio. Contribution to relative return of Stock A = (Stock A portfolio weight (%) - Stock A benchmark weight (%)) x (Stock A return (%) – Aggregate benchmark return (%)). All company-specific information has been sourced from company financials as of the relevant period discussed.

GIPS Report

Polen Capital Management
Focus 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 (%)	S&P 500 (%)	Russell 1000 G (%)	Composite Dispersion (%)	Composite Gross (%)	S&P 500 (%)	Russell 1000 G (%)
2023	58,910	22,269	36,641	20,000	1633	40.05	38.99	26.29	42.68	0.7	22.25	17.29	20.51
2022	48,143	18,053	30,090	16,655	1880	-37.51	-38.02	-18.11	-29.14	0.3	23.47	20.87	23.47
2021	82,789	28,884	53,905	14,809	2385	24.71	24.04	28.71	27.61	0.3	17.25	17.17	18.17
2020	59,161	20,662	38,499	12,257	1903	34.64	34.00	18.40	38.49	0.4	18.16	18.53	19.64
2019	34,784	12,681	22,104	8,831	939	38.80	38.16	31.49	36.40	0.3	12.13	11.93	13.07
2018	20,591	7,862	12,729	6,146	705	8.99	8.48	-4.38	-1.51	0.2	11.90	10.95	12.12
2017	17,422	6,957	10,466	5,310	513	27.74	27.14	21.83	30.22	0.3	10.66	10.07	10.54
2016	11,251	4,697	6,554	3,212	426	1.72	1.22	11.96	7.09	0.2	11.31	10.74	11.31
2015	7,451	2,125	5,326	2,239	321	15.89	15.27	1.38	5.68	0.1	10.92	10.62	10.85
2014	5,328	1,335	3,993	1,990	237	17.60	16.95	13.69	13.06	0.2	10.66	9.10	9.73

Performance % as of 12-31-2024:
(Annualized returns are presented for periods greater than one year)

	1 Yr	5 Yr	10 Yr
Polen Focus Growth (Gross)	17.10	11.46	14.64
Polen Focus Growth (Net)	16.14	10.70	13.97
Russell 1000 Growth	33.36	18.94	16.76
S&P 500	25.02	14.51	13.09

Some versions of this GIPS Report previously included assets of the Firm's wholly-owned subsidiary in the 2022 Firm Assets figure, in error. The figure above has been corrected to no longer count assets at the subsidiary level.
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.

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GIPS Report

The Focus Growth Composite created on January 1, 2006 with inception date April 1, 1992 contains fully discretionary large cap equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against the S&P 500 and the Russell 1000 Growth indices. Effective January 2022, fully discretionary large cap equity accounts managed as part of our Focus Growth strategy that adhere to the rules and regulations applicable to registered investment companies subject to the U.S. Investment Company Act of 1940 and the Polen Focus Growth Collective Investment Trust were included in the Focus Growth Composite.

Prior to March 22, 2021, the composite was named Large Capitalization Equity 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, 2023. 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 Focus Growth Composite has had a performance examination for the periods April 1, 1992 through December 31, 2022. The verification and performance examination reports are available upon request.

Polen Capital Management is an independent registered investment adviser. Polen Capital Management maintains related entities which together invest exclusively in equity portfolios consisting of high-quality companies. 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, provided, however, if invoking this policy would result in all accounts being removed for a month, this policy shall not apply for that month.
From July 1, 2002 through April 30, 2016, composite policy required the temporary removal of any portfolio incurring a client initiated significant cash outflow of 10% or greater of portfolio assets. The temporary removal of such an account occurred at the beginning of the month in which the significant cash flow occurred and the account re-entered the composite the first full month after the cash flow. The U.S. Dollar is the currency used to express performance. Certain accounts included in the composite may participate in a zero-commission program. Returns are presented gross and net of management 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 investments, calculating performance, and preparing GIPS Reports are available upon request.

The separate account management fee schedule is as follows:
Institutional: Per annum fees for managing accounts are 75 basis points (.75%) on the first $50 Million and 55 basis points (.55%) on all assets above $50 Million of assets under management. HNW: Per annum fees for managing accounts are 150 basis points (1.5%) of the first $500,000 of assets under management and 100 basis points (1.0%) 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 Growth Fund, which is included in the Focus Growth Composite, is 85 basis points (.85%). The total annual fund operating expenses are up to 125 basis points (1.25%). As of 9/1/2023, the mutual fund expense ratio goes up to 1.23%. This figure may vary from year to year. The per annum all-in fee* schedule for managing the Polen Focus Growth Collective Investment Trust, which is included in the Focus Growth Composite, goes up to 60 basis points (.60%). The per annum all-in fee* schedule for managing the Polen Capital Focus Growth Fund, which is included in the Focus Growth Composite, goes up to 65 basis points (.65%).
*The all-in fee (which is similar to a total expense ratio) includes all administrative and operational expenses of the fund as well as the Polen Capital management fee.

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 Russell 1000® Growth Index is a market capitalization weighted index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The index is maintained by the FTSE Russell, a subsidiary of the London Stock Exchange Group. The S&P 500® Index is a market capitalization weighted index that measures 500 common equities that are generally representative of the U.S. stock market. The index is maintained by S&P Dow Jones Indices.

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 composites' 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