

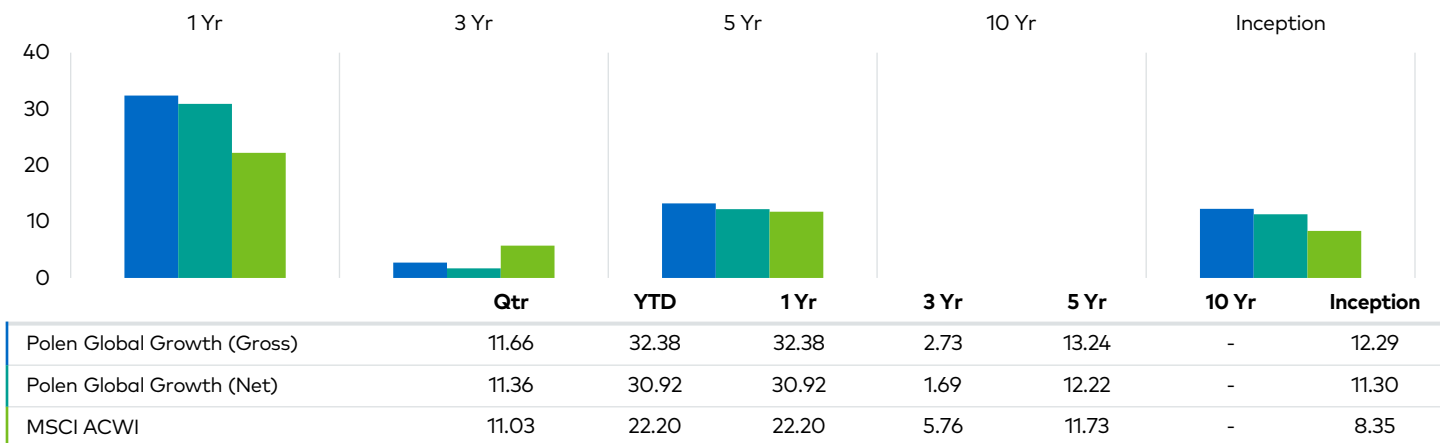
Polen Global Growth

Portfolio Manager Commentary – December 2023

Summary

- The Global Growth Composite Portfolio (the “Portfolio”) outperformed the MSCI ACWI Index (the “Index”) for the fourth quarter and the full year.
- The market has been trying to predict the direction of monetary policy all year, and a recent cooling of inflation seems to have bolstered the case for rate cuts in 2024, sparking a strong finish for 2023. The truth is nobody knows how the short term will unfold, and rapidly shifting short-term narratives reinforce the value of a long-term mindset, in our view.
- The largest relative contributors to the Portfolio’s performance during the fourth quarter were Workday, Amazon, and SAP. From an absolute perspective, the top contributors were Amazon, Microsoft, and Workday.
- The largest relative detractors to the Portfolio’s performance during the fourth quarter were Align Technology, Aon, and ADP. From an absolute perspective, the largest detractors during the quarter were Align Technology, Aon, and Estée Lauder.
- During the quarter, we added to several existing positions including Amazon, Novo Nordisk, and Abbott Laboratories. We eliminated two positions—Estée Lauder and Align Technologies—and trimmed our existing position in Nestlé.
- Regardless of the near-term direction of the global economy, our Portfolio companies are performing well, and we expect them to continue to perform well through the cycle. We believe the Portfolio’s valuation is currently fair for what we consider to be a collection of some of the best companies in the world.

Seeks Growth & Capital Preservation (Performance (%) as of 12-31-2023)



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.

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

During the fourth quarter, the Global Growth Composite Portfolio (the "Portfolio") was up 11.66% gross and 11.36% net of fees, versus the MSCI ACWI Index return of 11.03%. The market has been trying to predict the direction of monetary policy all year, and a recent cooling of inflation seems to have bolstered the case for rate cuts in 2024, sparking a strong finish for this year. Year to date, the Portfolio is up 32.38% and 30.92%, gross and net of fees, respectively, versus 22.20% for the Index. Thus, the Portfolio outperformed by 33bps during the quarter and outperformed by 872bps year to date, net of fees.

For anyone who needed a reminder of the futility of macro forecasting, 2023 provided just that.

As 2023 began, inflation was still running well above historical averages. The debate centered on whether we would have a mild or severe recession in the year's second half. As the year progressed, the "wall of worry" only steepened from the collapse of Silicon Valley Bank Financial in March and subsequent fears about credit contagion to Chinese economic weakness and rising geopolitical tensions. All this followed on the back of 2022—a very challenging year marked by 40-year high inflation and a historically rapid tightening cycle that took rates from near zero to 4.5%.

Given this backdrop, one could have made the understandable, tactical decision to take a more conservative or "wait and see" approach in 2023. However, as we've seen time and again throughout history, the short term doesn't always unfold as expected. As a measure of global equities, the MSCI ACWI Index rose nearly 23% in 2023, the sixth-best annual return since the Index inception in 2001. Impressively, more than 14% of this return came in the year's final two months as optimism grew around a soft-landing outcome and the potential for interest rate cuts in the first half of 2024.

None of this is to suggest that the path of the global economy or equity markets is now clear. The truth is nobody really knows how the short term will unfold. But times like this, with rapidly shifting short-term narratives, serve to reinforce the value of having a long-term mindset.

By thinking in years instead of months or quarters, the noise around macro uncertainty tends to fall away.

Our focus is—and will always be—on keeping a very high bar on quality, only owning what we believe are among the best businesses with durable competitive advantages, strong balance sheets, and secular growth tailwinds.

In remaining disciplined in our approach, we believe our businesses are as well positioned as any to deliver above-average earnings growth in good times and bad.

As we look ahead, we expect underlying earnings per share for the Portfolio to grow in the mid-teens over the next five years. If the Portfolio delivers on that, we believe returns will roughly follow as we have observed over the long term.

Portfolio Performance & Attribution

The largest relative contributors to the Portfolio's performance during the fourth quarter were **Workday**, **Amazon**, and **SAP**. From an absolute perspective, the top contributors were Amazon, **Microsoft**, and Workday. The largest relative detractors to the Portfolio's performance during the fourth quarter were **Align Technology**, **Aon**, and **ADP**. From an absolute perspective, the largest detractors during the quarter were Align, Aon, and **Estée Lauder**.

Workday's stock price was weak coming into the quarter. At the company's investor day in late September, management provided medium-term annual revenue guidance of 17-19%. Many investors were likely expecting annual revenue guidance of 20%+, so the 17-19% guidance may have been viewed as a tad disappointing. Following the investor day, Workday's stock price rose significantly during Q4, buoyed by the company's fiscal Q3 2024 earnings report, which was better than anticipated and included management raising revenue guidance for their fiscal 2024. We view the long-term guidance provided at the investor day as likely to be conservative, with ample room for Workday to continue taking share in the \$100bn+ global HCM (human capital management) market. We remain confident in Workday's ability to generate 20%+ annualized earnings growth over the next three to five years.

Amazon, which saw significant price appreciation throughout much of 2023, saw its share price increase materially in Q4 following the company's Q3 2023 earnings report. We have yet to see the long-awaited re-acceleration in AWS (Amazon Web Services) revenue growth. However, in our estimation, the segment's growth has likely bottomed, and we could see accelerating growth in 2024. Further, Amazon's e-commerce business has gradually re-accelerated from 2022's levels and, perhaps most importantly, the company's margins and free cash flow have rebounded materially from last year. This rebound in margins and free cash flow at Amazon has been a key component of our long-term thesis for the business, and we expect the improvement in these metrics to continue into 2024 and beyond (though perhaps not linearly) as the company continues to optimize costs and capital expenditures. Our position in Amazon reflects our positive long-term expectations of the business, and it is currently our largest absolute weight in the Portfolio.

Like Workday and Amazon, **SAP's** stock price rose significantly in Q4 after the company reported its Q3 2023 earnings. Importantly, SAP's transition to the cloud (a core part of our thesis on the business) continues at pace, and the company is seeing both robust cloud revenue growth and expanding cloud gross margins. Management is guiding cloud sales growth through 2025 in the mid-20% range, which we view as reasonable and attractive.

We also view SAP as one of the more resilient software business models as it is an essential part of its customers' day-to-day operations and cannot easily be turned off or scaled back.

Align Technology was the largest relative detractor during the past quarter, primarily because of disappointing third-quarter earnings results where the company's revenue growth fell short of expectations despite easy comparisons from a year ago. Ultimately, we decided to exit our position in Align during the quarter, as detailed in the Portfolio Activity section.

Aon's stock price underperformed this past quarter following the announcement of the company's acquisition of NFP, a middle market insurance broker, for \$13 billion. Though the deal complements Aon's current business, it is expected to be dilutive to earnings in the near term, prompting a sell-off in the shares. We will continue to assess the merits of the NFP transaction, but it does not currently change our long-term view of Aon, which we view as a steady, durable, low-teens earnings compounder.

ADP modestly underperformed during the quarter. The company's revenue and earnings growth has been in line with our expectations. Still, market participants appear to be concerned about the prospect of higher unemployment and lower interest rates in 2024, factors that could present modest headwinds to ADP's growth. Our view of the business and its long-term growth trajectory haven't changed, and we believe the company continues to execute at a high level.

Portfolio Activity

During the quarter, we did not initiate any new positions, though we did add to several existing positions, including **Amazon**, **Novo Nordisk**, and **Abbott Laboratories**. We eliminated two positions—**Estée Lauder** and **Align Technology**—and trimmed our existing position in **Nestlé**.

Amazon continues to showcase its place as one of the most competitively advantaged companies in the world, according to our research.

Over the past few years, the company has made significant progress in managing costs and better leveraging existing capacity, driving a strong recovery in its profitability. Still, we

think there's additional room for improvement. Even after a solid run in the stock through 2023, we believe Amazon remains among one of the most attractively valued businesses in the market today. Our research shows that it is well positioned to deliver a mid-teens or higher total shareholder return for our clients over the next five-plus years without a Herculean effort from the business. It simply needs to continue executing on current businesses and growing into the capacity it built during and immediately after the pandemic.

As we discussed in last quarter's commentary, **Novo Nordisk** is a newer addition to the strategy. Over the fourth quarter, we continued to build the position to an average weight. As a reminder, Novo Nordisk is a global pharmaceutical company based in Denmark and has long been the leader in developing insulin for diabetes patients. In recent years, the company's innovation into GLP-1 drugs has been shown not only to help diabetics control blood sugar levels but also to have significant efficacy in weight loss. Obesity has become a global epidemic, creating materially negative knock-on effects for humans that range from an increase in cardiovascular events and, thus, higher mortality to a lower general quality of life. We believe that, over time, payors will recognize the value of these obesity treatments to both patients and the overall healthcare system.

Abbott Laboratories, a globally dominant healthcare business serving a broad range of end markets, was another position we added to in the period. The stock has come under pressure in recent quarters as the company has experienced a significant (and expected) decline in sales tied to pandemic-era COVID testing. However, we feel this amounts to little more than a distraction, as the core business continues to perform very well. Nothing has changed around our expectations for long-term growth, yet the stock's valuation has compressed, making for an attractive opportunity to add to the position given the long-term durable growth profile of this business.

We exited our position in **Estée Lauder**, the global leader in luxury cosmetics. The company has faced a series of challenges in the past year, which have significantly impacted the company's profitability. These range from a COVID lockdown in Shanghai, where their only Chinese distribution center was located; to travel retail partners placing large orders expecting a rebound in China that hasn't materialized; to headwinds in North American makeup from brick-and-mortar closures; to being caught off guard by derma cosmetics, an area where L'Oréal is thriving. While some of these headwinds will abate, we do not expect a swift rebound, and the most recent earnings call illustrates that things are not turning around as we expected. We held a very small position in Estée Lauder – under 1%. Without the conviction to add after the recent decline and given little to no evidence that the company will be improving soon, we have better places to put our capital to work.

Align Technology represented another sale in the quarter. Align is the global leader in clear aligner teeth straighteners, having pioneered the category a couple of decades ago. Our decision to move on from the position is not a reflection of the quality of the business or the runway for growth ahead. Rather, given a still uncertain macro environment and the nature of their product as a big-ticket consumer discretionary purchase, we felt it more prudent to use the position as a source of funds to allocate to the aforementioned existing positions, which should prove more resilient with a narrower range of outcomes.

Finally, we trimmed our position in **Nestlé**. Nestlé has served as a strong safety holding for many years for the Global Growth Portfolio. Over the past several years, we think the company has done a terrific job pruning its product portfolio of low-growth, low-margin, and capital-intensive businesses and reinvesting the proceeds in more attractive businesses to drive margin expansion.

At this point, we feel there isn't much of an opportunity to drive further margin expansion, and the competition is significant for potential acquisition candidates that would be accretive to growth and margins. As a result, we believe that Nestlé's ability to achieve our hurdle of low double-digit returns going forward will be more challenging, and we used the proceeds as a source of funds to add to businesses with a higher probability of delivering on our demanded returns.

Outlook

As we enter 2024, market sentiment has markedly improved, with consensus now expecting a soft landing and stabilization of the interest rate environment. Only a few months ago, consensus expectations called for rates to remain "higher for longer" and expectations for imminent recession were not uncommon. Regardless of the near-term direction of the global economy, our Portfolio companies are performing well, and we expect them to continue to perform well through the cycle. We believe the Portfolio's valuation is currently fair for what we consider to be a collection of some of the best companies in the world. We believe these companies are well-positioned to deliver mid-teens underlying earnings per share growth, in the aggregate, for many years.

As announced in June 2023, effective December 31, 2023, Jeff Mueller has retired and stepped down. We want to thank Jeff for his service and wish him and his family well. The Polen Global Growth strategy will continue to have Damon Ficklin serve as Lead PM and Bryan Power as co-PM.

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

Sincerely,
Damon Ficklin & Bryan Power, CFA

Experience in High Quality Growth Investing



Damon Ficklin
Head of Team, Portfolio Manager
22 years of experience



Bryan Power, CFA
Portfolio Manager, Director of Research & Analyst
12 years of experience

GIPS Report

Polen Capital Management
Global 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 ACWI (%)	Composite Dispersion (%)	Polen Gross (%)	MSCI ACWI (%)
2022	48,143	18,053	30,090	507.47	7	-30.53	-31.39	-18.35	0.0	20.39	19.86
2021	82,789	28,884	53,905	138.08	7	17.90	17.07	18.54	0.6	15.08	16.84
2020	59,161	20,662	38,499	39.14	3	25.01	24.13	16.27	N/A	16.16	18.13
2019	34,784	12,681	22,104	6.50	2	37.37	36.35	26.60	N/A	12.10	11.22
2018	20,591	7,862	12,729	4.77	2	3.14	2.22	-9.41	N/A	11.50	10.47
2017	17,422	6,957	10,466	4.16	2	32.66	31.55	23.96	N/A	10.12	10.36
2016	11,251	4,697	6,554	0.33	1	1.21	0.34	7.86	N/A	N/A	N/A
2015	7,451	2,125	5,326	0.33	1	10.07	9.14	-2.36	N/A	N/A	N/A

Performance % as of 12-31-2023:

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

	1 Yr	5 Yr	10 Yr	Inception
Polen Global Growth (Gross)	32.38	13.24	-	12.29
Polen Global Growth (Net)	30.92	12.22	-	11.30
MSCI ACWI	22.20	11.73	-	8.35

¹A 3 Year Standard Deviation is not available for 2015 and 2016 due to 36 monthly returns are not available.

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.

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 Global Growth Composite created and inception on January 1, 2015 contains fully discretionary global growth accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI. Prior to October 18, 2016, the benchmark for the Global Growth Composite was the MSCI ACWI variant with gross dividends. As of October 18, 2016, the benchmark was changed retroactively to the MSCI ACWI variant with net dividends, to more accurately reflect the Global Growth Composite's strategy. Effective January 2022, fully discretionary large cap equity accounts managed as part of our Global 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 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, 2022. 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 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. 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 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 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. HNWI: 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.

The per annum fee schedule for managing the Polen Global Growth Fund, which is included in the Global Growth Composite, is 85 basis points (.85%). The total annual fund operating expenses are up to 135 basis points (1.35%). As of 9/1/2023, the mutual fund expense ratio goes up to 1.26%. This figure may vary from year to year.

The per annum fee schedule for managing the Polen Capital Global Growth ETF, which is included in the Global Growth Composite, is 85 basis points (.85%). The total annual fund operating expenses are up to 85 basis points (.85%).

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. 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 ACWI Index is a market capitalization weighted equity index that measures the performance of large and mid-cap segments across developed and 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.

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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