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April 18, 2016

Polen Focus Growth
1st Quarter 2016 Commentary

Summary

- *During the first quarter of 2016, the Polen Focus Growth Composite Portfolio (the "Portfolio") returned 0.02% gross of fees. The Russell 1000 Growth and S&P 500 indices (the "Indices") returned 0.74% and 1.35%, respectively.*

- *The relatively flat returns for the first quarter belie what was a very volatile start to the year. The Indices were down about 6% during the first week of trading in 2016 and down more than 10% in mid-February before recovering.*

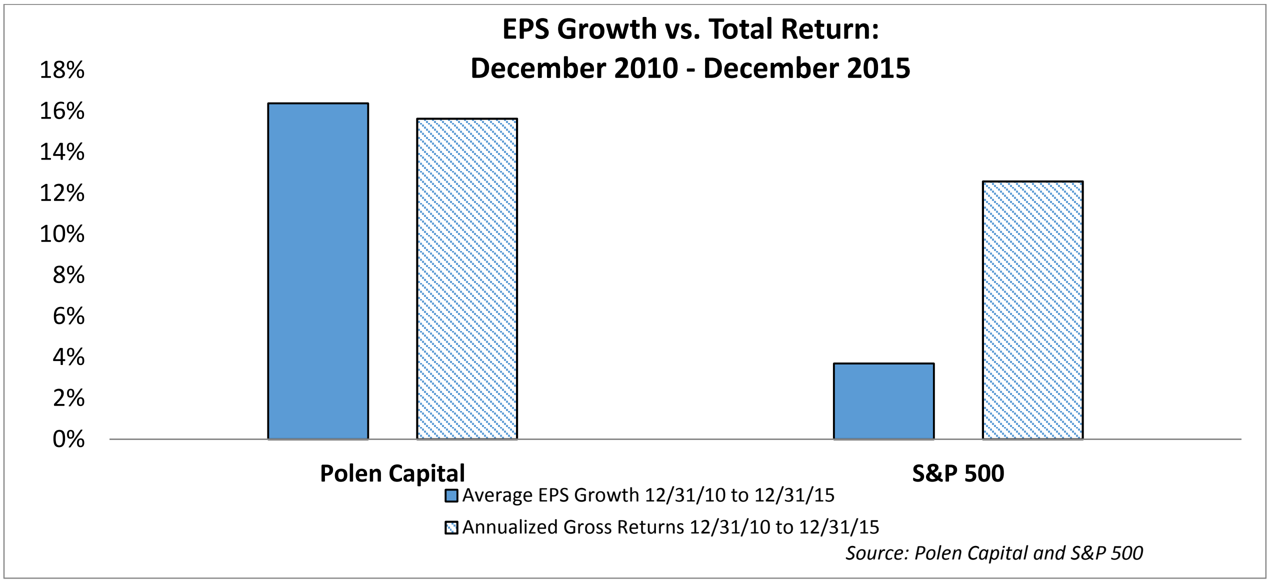
- *From a fundamental perspective, the modest but positive market return during the first quarter was a relative win given that S&P 500 earnings are now expected to decline in the high single digits during the first quarter. In contrast, our Portfolio is expected to deliver solid double-digit earnings per share growth during the quarter (1st quarter results are just now being reported).*

- *The leading Portfolio contributors during the quarter were from disparate industries, but each was among the few laggards in our Portfolio during 2015. Our healthcare holdings were the leading detractors during the quarter as concerns about drug pricing have resurfaced recently.*

Commentary

During the first quarter of 2016, our Portfolio returned 0.02% gross of fees. The Russell 1000 Growth and S&P 500 indices returned 0.74% and 1.35%, respectively. The relatively flat returns for the first quarter belie what was a very volatile start to the year. The Indices were down about 6% during the first week of trading in 2016 and down more than 10% in mid-February before recovering to deliver positive returns by quarter end. The intra-quarter market volatility was very similar to the share price volatility seen during the second half of 2015 when the Indices were down more than 5% in the third quarter and rose more than 7% in the fourth quarter. Market participants seem to be concerned with deteriorating earnings and relatively high valuations, but also confounded by the lack of attractive return potential from other asset classes.

From a fundamental perspective, the modest but positive market return during the first quarter was a relative win given that S&P 500 earnings are now expected to decline in the high single digits during the quarter. This was a significant deterioration versus expectations for *growth* at the beginning of the quarter, which has pulled down full-year 2016 revenue and earnings growth expectations to low single digits. Although our Portfolio return was slightly below the benchmarks during the first quarter, our Portfolio continues to deliver solid double-digit earnings per share growth. As you can see in the chart on the next page, our Portfolio has delivered much stronger earnings per share growth than the broader market during the past five years. As we have stated many times before, we believe that underlying earnings per share growth is the primary driver of our investment returns over time. We feel confident that the ongoing fundamental strength of our Portfolio continues to position us very well going forward.



Portfolio Performance & Activity

Fastenal Company, **Oracle Corporation** and **TJX Companies, Inc.** were the leading contributors to the Portfolio during the first quarter of 2016. Each of these stocks were among the few laggards in our Portfolio during 2015. While we have not yet seen a reacceleration in Fastenal's sales growth, it does seem that the business has absorbed the worst of the impact that the strong U.S. dollar and weak commodity prices have on many of its customers. Barring additional pressure from either of these factors, Fastenal should see improving sales and earnings growth in the coming quarters as it will soon cycle much easier comparisons and the company's continued investments have allowed it to take significant market share. With the stock down more than it should have been, in our opinion, stabilization was all that was needed for it to recover. As we have explained in prior notes, we believe management has been doing all of the right things despite a challenging industrial backdrop and we remain confident that Fastenal can deliver mid-teens earnings per share growth over the longer term.

Oracle has been going through a transition to the cloud for a couple of years now. We have noted on several occasions—including our 4th Quarter and Full-Year 2015 Focus Growth Commentary—that this transition depresses the company's near-term revenue and profit growth as the company effectively exchanges a large upfront license payment for smaller but recurring subscription payments. Moreover, all of the sales commissions and the additional infrastructure expense of offering cloud solutions are paid upfront. This depresses near-term reported results, but as the cloud subscriptions stack up over the years, sales growth should reaccelerate and cloud margins should improve as well. Oracle delivered solid results in its most recently reported quarter, which indicate to us that the company is heading in a good direction. Cloud software as a service (SaaS) and platform as a service (PaaS) revenues were up 61% in constant currency, an acceleration in cloud growth that is driving cloud margins higher. While new software licenses are likely to continue to decline, we believe the company will soon be adding more new subscription revenues than it is losing in new license sales. Because the subscriptions recur and stack up over time, we think this should be a positive inflection point for growth and margins, given that most of the necessary cloud infrastructure investment has already been made.

TJX Companies is in an investment phase, proactively raising the wage of its retail sales force and offering its customers exceptional value in the form of very competitive prices for quality goods. This is weighing on its near-term earnings growth, but its strategies have been translating to very strong same store sales growth. For the recently concluded fiscal 2016, net sales and earnings per share were up 9% and 8%, respectively. Same store sales were up 5% for the fiscal year and 6% in the fiscal fourth quarter, driven almost entirely by volume. These are much stronger results than seen across all of retail. The off-price segment of the market, which TJX leads, is clearly taking share from traditional mall-based retailers. While brand name goods at 20-60% discounts are always in demand, we believe the company's value proposition resonates even more strongly with consumers during tough times. The current fiscal year will be another investment year for TJX, but we think the business remains well positioned to continue to deliver low double-digit earnings per share growth for many years to come.

Regeneron Pharmaceuticals, Inc., **Celgene Corporation** and **Abbott Laboratories** were the leading detractors during the first quarter of 2016. Concerns about drug pricing have resurfaced recently, weighting on biotech share prices in particular. The fairly regular release of very high priced drugs now, all of the political rhetoric being thrown around and CMS's proposed Medicare Part B reimbursement model changes all fed this concern. Regeneron shares, which rose strongly during 2015, were hit particularly hard during the quarter, declining more than 30%. In addition to the concerns noted above, 2016 will be an investment year for Regeneron. We expect it will be spending more to commercialize newly approved products and increasing R&D expenses for late-stage products while sales growth decelerates as the company laps the exceptionally strong Eylea sales growth in 2015. While new revenue streams should come on more strongly in 2017, earnings growth is likely to be muted in 2016 as investment expenses grow faster than revenues. This is a classic case of short-term negative, long-term positive. Incidentally, on the first trading day of the second quarter, Regeneron announced positive phase III results for dupilumab, a biologic in development for atopic dermatitis, asthma and other allergic indications. The company's shares were up more than 10% on the news given the multi-billion dollar potential of this innovative product. We believe that Regeneron's deep pipeline of novel products will more than overwhelm the potential pricing pressure that the industry or certain therapies may face.

Despite having less exposure to Medicare Part B reimbursement and a relatively steady sales and profit growth profile for the coming years, the broader concern about pricing did weigh on Celgene's shares during the quarter as well. Given our still positive long-term view on the business as well as the recent Revlimid patent settlement, which reduced what we believed was a small but key risk factor that had us maintaining a lower weight, we took advantage of the share price decline and increased our position. While we fully expect pricing pressure in healthcare in general, we do not expect it to have an undue impact on Celgene. Celgene's lead drug Revlimid, which is the cornerstone therapy for multiple myeloma, is growing at a mid-teens rate without any meaningful benefit from price. The growth is being driven almost exclusively by volume as the duration of therapy continues to increase. Moreover, almost all of the new therapies in development for multiple myeloma are being tested *with* Revlimid, rather than as a competing monotherapy, which offers the possibility of increasing the duration of Revlimid therapy further still. Celgene's drug Otezla, another important growth driver, offers a lower-priced alternative to the high-priced biologics commonly used for various autoimmune indications and we believe management has a similar strategy in mind with other products in late stage development. Simply put, price is not the most significant driver of Celgene's strong double-digit sales and earnings growth.

We trimmed our position in Abbott on two separate occasions during the quarter. We initially trimmed the position in January in order to raise our position in Celgene and then trimmed the position again in March to initiate a new position in **Align Technology, Inc.** We had some concern about Abbott's ability to maintain such strong earnings growth in 2016 given the considerable currency headwinds already overcome to deliver double-digit earnings growth in 2015, particularly given that emerging market pressures seemed to be increasing rather than decreasing. More than half of Abbott's revenues are from emerging markets. Management's recent guidance for essentially no growth in reported earnings for 2016 confirmed our concern. Management said that currency is expected to be roughly a 10% headwind to earnings per share growth this year and a significant deterioration in its business in Venezuela presents an additional 5% bottom-line impact. While we do tend to look through currency to a great degree, we consider the weak end-market results in Venezuela and other oil-dependent emerging markets as part of Abbott's operations and it is hard to know whether this will prove to be more one-time in nature or recurring, at least in the near-term. While we remain comfortable with Abbott's long-term double-digit earnings growth prospects, and the accretion from its recent acquisition of point-of-care diagnostics company **Alere, Inc.** seems to make it rather easy for the company to get back on the growth track during the next couple of years, we felt that Abbott was a good source of funds for the other investments that we wanted to make during the quarter.

We initiated a new position in Align Technology during the first quarter. Align Technology is a global medical device company that pioneered the development of invisible orthodontics with its Invisalign system. With more than a 12-year first mover advantage protected by hundreds of technology, material, process and manufacturing patents and its ongoing investments to develop the technologies to deliver good orthodontic outcomes for an increasing range of cases, management has built Invisalign into a better alternative to traditional braces for many patients and has simultaneously built a large moat around its business. It has also built Invisalign into a household brand. Although Invisalign is already clearly established as the leader in invisible orthodontics and is rapidly taking share from the incumbent competitors that sell traditional braces, Align Technology still has less than 10% of the orthodontic case starts that Invisalign can currently treat on a global basis. This leaves a very large untapped market opportunity and long runway for strong ongoing sales and profit growth. While we expect Align Technology's success to eventually attract more competition, we believe competitors will find it difficult to put all of the pieces together to scale this business while climbing the learning curve. Developing the technology to actually move teeth well is probably the hardest part, but the difficulty in winning over the thousands of individual dentists and orthodontists—some of whom have built their practice around the Invisalign brand—one at a time, building a brand that consumers recognize and even ask for by name and manufacturing all these unique aligners (no two are the same) on demand and at scale should not be underestimated.

Attribution

The top three contributors (Portfolio average weight multiplied by return) for the first quarter of 2016 were Fastenal (0.82%), Oracle (0.59%), and TJX Companies (0.57%). The three largest detractors were Regeneron (-1.92 %), Celgene (-0.67%) and Abbott Laboratories (-0.51%).

We are very pleased overall with how the Portfolio is performing. While a few of our companies are managing through some short-term challenges, the vast majority of our businesses are executing at a high level and have strong business momentum despite a challenging global macro environment. Our Portfolio continues to deliver solid double-digit earnings per share growth, which is quite distinct from the broader market right now. Even more importantly, we believe this strong ongoing earnings per share growth will continue to support strong long-term investment returns.

Thank you for your interest in Polen Capital and please feel free to contact us with any questions or comments.

Sincerely,

Dan Davidowitz & Damon Ficklin

Historical Performance

Polen Focus Growth Performance Update - March 31, 2016				
	Polen (Gross)	**Polen (Net)**	**R1000G**	**S&P 500**
1Q2016	**0.02%**	**-0.11%**	**0.74%**	**1.35%**
1 Year	**11.78%**	**11.20%**	**2.52%**	**1.78%**
3 Years	**16.62%**	**15.98%**	**13.61%**	**11.82%**
5 Years	**14.90%**	**14.23%**	**12.38%**	**11.58%**
7 Years	**18.66%**	**17.89%**	**17.94%**	**16.97%**
10 Years	**11.64%**	**10.85%**	**8.28%**	**7.01%**
15 Years	**9.26%**	**8.42%**	**6.03%**	**5.99%**
20 Years	**11.83%**	**10.89%**	**7.39%**	**7.98%**
25 Years	**13.19%**	**12.17%**	**8.66%**	**9.28%**
Since Inception (1/1/89)	**14.45%**	**13.40%**	**9.80%**	**10.01%**

*Returns are trailing through 03/31/16. Annualized returns are presented for periods greater than 1 year.

GIPS Disclosure

Polen Capital Management
Large Capitalization Equity Composite-Annual Disclosure Presentation

		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 Growth	Composite Dispersion	PCM Gross	S&P 500	Russell 1000 Growth
1Q16*	8,471	2,535	5,936	2,680	366	0.02%	-0.11%	1.35%	0.74%	0.2%	11.59	11.35	11.80
2015	7,451	2,125	5,326	2,469	352	15.88%	15.26%	1.38%	5.67%	0.2%	10.92	10.62	10.85
2014	5,366	1,374	3,992	2,019	257	17.58%	16.95%	13.69%	13.05%	0.2%	10.66	9.10	9.73
2013	5,017	1,197	3,820	1,887	256	23.77%	23.05%	32.39%	33.48%	0.3%	11.91	12.11	12.35
2012	4,522	891	3,631	1,571	357	12.43%	11.75%	16.00%	15.26%	0.1%	16.01	15.30	15.88
2011	2,366	562	1,804	596	185	9.03%	8.24%	2.11%	2.64%	0.2%	15.97	18.97	18.01
2010	1,185	322	863	337	129	15.65%	14.69%	15.06%	16.71%	0.2%	20.16	22.16	22.42
2009	624	131	493	235	127	39.73%	38.49%	26.46%	37.21%	0.3%	16.99	19.91	20.01
2008	266	10	256	152	121	-27.82%	-28.43%	-37.00%	-38.44%	0.2%	15.26	15.29	16.63
2007	682	-	682	504	152	10.78%	9.87%	5.49%	11.81%	0.2%	8.36	7.79	8.66
2006	730	-	730	533	224	15.00%	14.05%	15.80%	9.07%	0.1%	7.27	6.92	8.43
2005	1,849	-	1,849	986	430	-0.53%	-1.43%	4.91%	5.26%	0.2%	8.10	9.17	9.67
2004	2,017	-	2,017	1,160	693	8.73%	7.76%	10.88%	6.30%	0.2%	10.09	15.07	15.66
2003	1,617	-	1,617	969	570	17.72%	16.67%	28.68%	29.75%	0.6%	12.98	18.32	22.98
2002	970	-	970	544	420	-6.69%	-7.54%	-22.06%	-27.88%	0.4%	13.15	18.81	25.58
2001	703	-	703	417	305	-4.61%	-5.50%	-11.93%	-20.42%	0.6%	13.58	16.94	25.56
2000	622	-	622	363	239	-3.50%	-4.45%	-9.10%	-22.42%	0.5%	16.52	17.67	23.11
1999	640	-	640	385	233	23.89%	22.63%	21.04%	33.16%	0.6%	18.27	16.76	19.27
1998	418	-	418	266	205	31.61%	30.20%	28.58%	38.71%	0.7%	17.95	16.23	18.15
1997	252	-	252	147	160	37.14%	35.64%	33.36%	30.49%	0.9%	13.17	11.30	12.80
1996	140	-	140	94	125	31.95%	30.43%	22.96%	23.12%	0.7%	10.16	9.72	10.49
1995	70	-	70	46	63	48.08%	46.34%	37.58%	37.18%	1.1%	9.72	8.34	9.26
1994	32	-	32	18	28	10.11%	8.94%	1.32%	2.62%	1.6%			
1993	24	-	24	16	27	13.07%	11.85%	10.08%	2.87%	2.9%			

Total assets and UMA assets are supplemental information to the Annual Disclosure Presentation.
**Performance represents partial period (January 1, 2016 through March 31, 2016), assets and accounts are as of 3/31/16. ** 1Q16 3 Year Standard Deviation is as of 3/31/16.*

GIPS Disclosure

The Large Capitalization Equity Composite created on January 1, 2006 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. Polen Capital invests exclusively in a portfolio of high quality large cap and liquid 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 by Ashland Partners & Company LLP for the periods April 1, 1992 through December 31, 2014.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Large Capitalization Equity Composite has been examined for the periods April 1, 1992 through December 31, 2014. The verification and performance examination reports are available upon request.
Polen Capital Management is an independent registered investment adviser. The firm maintains a complete list and description of composites, which 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. As of July 1, 2002, composite policy requires 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 occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the first full month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results.
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 calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The 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.

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 a SEC registered investment advisor and its investment advisory fees are described in its Form ADV Part 2A. The advisory fees will reduce client's 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 S&P 500® Index is a widely recognized, unmanaged index of 500 common stocks which are generally representative of the U.S. stock market as a whole.
The Russell 1000® Growth Index is an unmanaged index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values.

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 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%	1.1	1.21	1.33	1.46	1.61	1.71	1.95	2.14	2.36	2.59
9%	1.09	1.19	1.3	1.41	1.54	1.68	1.83	1.99	2.17	2.39
20%	1.2	1.44	1.73	2.07	2.49	2.99	3.58	4.3	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