2700 N. Military Trail, Suite 230 • Boca Raton, FL 33431 • (561) 241-2425 • (800) 358-1887 • Fax (561) 241-6651

PCM

July 10, 2012

2nd Quarter 2012 Portfolio Commentary

Polen Capital's Large Cap Growth Model Portfolio (the "Portfolio") returned -7.13% for the 2nd quarter versus -4.02% for the Russell 1000 Growth Index ("Russell 1000 Growth") and -2.75% for the S&P 500 Index ("S&P 500"). Through the first six months of 2012 the Portfolio has returned 7.92% versus 10.08% for the Russell 1000 Growth and 9.49% for the S&P 500.

This quarter witnessed a return of the same macroeconomic and sovereign debt worries that have been present for the last four years. The efforts to corral the leaders of the Euro member countries to solve the problem of a single monetary regime with 17 separate fiscal regimes has been every bit as difficult as it sounds and still remains unresolved today. Temporary solutions placate the equity markets until the next big decision has to be made. With all of the negativity in the media and calls for more central bank stimulus, it must be remembered that the market is still up substantially this year, although it has certainly been a bumpy ride.

In the second quarter, concerns over European debt and slowing growth in China and the U.S. took center stage and the quality of individual businesses mattered less. Stock prices have become highly correlated again, just as they did during late 2008 (credit crisis), early 2010 (flash crash and European debt issues), and the summer of 2011 (U.S. debt downgrade and European debt issues). In addition, short-termism holds sway and the slightest earnings "disappointments" are met with swift sell-offs. In May, Cognizant Technology Solutions, a PCM holding reported a strong first quarter but slightly lowered their expectations for revenue growth for the full year to "at least 20%" from previous expectations of "at least 23%." The stock which was not highly valued to begin with declined nearly 20% that day. The "slowdown" is not because of any competitive weakness at Cognizant. Quite to the contrary, they are growing at nearly 2x the rate of the offshore IT services market and 6-7x the global market. This is a company that has a pristine balance sheet, a highly recurring revenue model, stable margins, and strong secular growth. It also trades at a very reasonable 15x earnings.

So while the stock price decline is painful in the short term, it also provides excellent opportunities for investors who are focused on long-term business fundamentals. We took advantage of the weakness in Cognizant to add to our position. The high correlations between stocks, should they continue, may give us the opportunity to purchase other wonderful franchises that we do not own today. We are closely following our coverage list to find such opportunities.

In the 2st quarter, we added Nike to the portfolio and added to our Cognizant position as mentioned above. We also trimmed our position in Varian Medical.

Nike is a true iconic global brand and the company has a stellar history of profitable growth. Nike dominates the market for athletic footwear and apparel and we believe the company's future growth prospects should be very consistent with the past decade. Over that period of time the company was able to grow revenues at about a 10% compounded rate annually with earnings per share growing at a mid-teens clip. We purchased only a small 2% position after the stock had corrected by about 10% as we did expect that the business was slowing a bit from its recent above-normal pace and there is some short-term pressure on inventories due to slower macroeconomic growth. Since then the company did report that fiscal 2013 growth will be tougher to come by mostly due to economic slowdowns in Europe and China as well as currency headwinds. The China impact was more than we had expected and we are digging deeper into the story to better understand the root cause. At this time we believe the issues are not structural and the opportunities for Nike's long term-growth are well intact and the valuation has become more compelling.

We trimmed Varian as we believe the company will be facing some growth headwinds as developed markets have become fairly saturated and emerging market growth will be very price competitive. Varian's margins are coming down from this dynamic in the near term, but we believe that they should improve going forward. There is some risk to the company's long-term growth if they do not successfully penetrate the emerging market opportunity which is why we have lowered our position to more accurately match our weighting with that risk.

The top three contributors (portfolio weight multiplied by return) in the second quarter were Abbott Labs (+0.23%), Intuitive Surgical (+0.14%) and Oracle (+0.09%). The bottom three contributors to the portfolio were Cognizant (-1.31%), Qualcomm (-1.26%) and Coach (-1.25%).

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

Sincerely,

PCM Investment Team

GIPS Disclosure

POLEN CAPITAL MANAGEMENT
LARGE CAPITALIZATION EQUITY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

		UMA	Firm	Composite Assets		Annual Performance Results					3 Year Standard Deviation**		
Year	Total	Assets	Assets	U.S. Dollars	Number of	Composite		S&P	Russell 1000	Composite	PCM	S&P	Russell 1000
End	(millions)	(millions)	(millions)	(millions)	Accounts	Gross	Net	500	Growth	Dispersion	Gross	500	Growth
2012*	4,068	818	3,250	1,322	305	7.92%	7.55%	9.49%	10.08%	0.1%	15.85	15.88	16.26
2011	2,375	563	1,812	587	185	9.17%	8.38%	2.11%	2.64%	0.2%	15.74	18.71	17.76
2010	1,182	322	860	332	127	15.66%	14.73%	15.06%	16.71%	0.2%	19.88	21.85	22.11
2009	624	131	493	235	127	39.73%	38.49%	26.46%	37.21%	0.3%	16.75	19.63	19.73
2008	266	10	256	152	121	-27.84%	-28.44%	-37.00%	-38.44%	0.3%	15.05	15.08	16.40
2007	682	-	682	504	152	10.73%	9.82%	5.49%	11.81%	0.2%	8.24	7.68	8.54
2006	730	-	730	533	224	15.07%	14.12%	15.80%	9.07%	0.1%	7.17	6.82	8.31
2005	1,849	-	1,849	986	430	-0.51%	-1.42%	4.91%	5.26%	0.2%	7.98	9.04	9.53
2004	2,017	-	2,017	1,160	693	8.76%	7.78%	10.88%	6.30%	0.2%	9.95	14.86	15.45
2003	1,617	-	1,617	969	570	17.72%	16.67%	28.68%	29.75%	0.6%	12.80	18.07	22.66
2002	970	-	970	544	420	-6.69%	-7.54%	-22.06%	-27.88%	0.4%	12.96	18.55	25.22
2001	703	-	703	417	305	-4.61%	-5.50%	-11.93%	-20.42%	0.6%	13.39	16.71	25.21
2000	622	-	622	363	239	-3.50%	-4.45%	-9.10%	-22.42%	0.5%	16.29	17.42	22.79
1999	640	-	640	385	233	23.89%	22.63%	21.04%	33.16%	0.6%	18.02	16.52	19.00
1998	418	-	418	266	205	31.61%	30.20%	28.58%	38.71%	0.7%	17.70	16.01	17.90
1997	252	-	252	147	160	37.14%	35.64%	33.36%	30.49%	0.9%	12.99	11.14	12.62
1996	140	-	140	94	125	31.95%	30.43%	22.96%	23.12%	0.7%	10.46	9.58	10.34
1995	70	-	70	46	63	48.08%	46.34%	37.58%	37.18%	1.1%	9.58	8.22	9.13
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%			

*Performance represents partial period (January 1, 2012 through June 30, 2012), assets and accounts are as of 6/30/12. **2012 3 Year Standard Deviation is as of 6/30/12.

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 March 31, 2011.

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 March 31, 2011. 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.