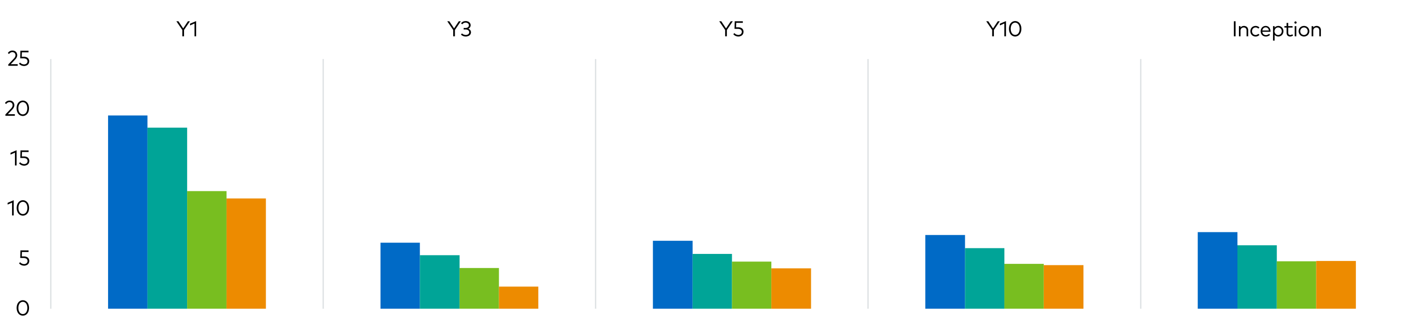
Polen Credit Opportunities Full Discretion

Portfolio Manager Commentary – March 2024

Summary

- Over the first quarter of 2024, the Polen Credit Opportunities Full Discretion Composite returned 3.66% gross and 3.38% net of fees versus the 1.51% return of the ICE BofA U.S. High Yield Index (the "Index").
- Stubborn inflation and resilient economic growth led to lower forecasts for U.S. Federal Reserve rate cuts in 2024, driving interest rates higher. Credit spreads tightened for high yield bonds and leveraged loans, contributing to lower-rated credits' outperformance.
- Aveanna Healthcare and Duravant contributed the most to absolute performance, while American Tire Distributors and Asurion detracted the most significantly.
- We made no significant changes to portfolio positioning during the quarter. However, we exited our position in Tekni-Plex and redeployed the proceeds to more compelling opportunities.
- High yield bond and leveraged loan markets tightened in the face of increasing U.S. Treasury yields and continued domestic and geopolitical angst. The upcoming U.S. presidential election will likely influence markets as the year progresses.
- We view the current environment as favorable for an active approach like ours to capitalize on the best relative value opportunities across the leveraged credit market, regardless of credit rating.

Seeks Long-Term Yield & Income (Performance (%) as of 3-31-2024)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception Date (09-30-2013)
Polen Credit Opportunities Full Discretion (Gross)	3.66	3.66	19.33	6.59	6.79	7.35	7.64
Polen Credit Opportunities Full Discretion (Net)	3.38	3.38	18.11	5.35	5.47	6.04	6.33
50% ICE BofA U.S. High Yield Index/50% Credit Suisse Leveraged Loan Index	2.02	2.02	11.75	4.05	4.70	4.49	4.74
ICE BofA U.S. High Yield Index	1.51	1.51	11.04	2.21	4.03	4.36	4.78

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. The gross performance returns for Polen Credit Opportunities Full Discretion Composite set forth above are gross of all fees except for trading expenses, deal-related legal expenses, and withholding taxes. Net returns reflect the application of actual management and performance-based fees to gross returns. Returns of the Polen Credit Opportunities Full Discretion Composite are provided as supplemental information and complement a GIPS Composite report, which has been provided. The commentary is not intended to guarantee profitable outcomes. Any forward-looking statements are based on certain expectations and assumptions susceptible to changes in circumstances. Opinions and views expressed constitute the judgment of Polen Capital as of the date herein and may involve assumptions and estimates which are not guaranteed and are subject to change.

Commentary

High yield bonds and leveraged loans produced gains in the first quarter, with leveraged loans outperforming their fixed rate peers. Stubborn inflation and resilient economic growth caused the market to reduce its forecast for Fed rate cuts in 2024, driving interest rates higher.

Credit spreads tightened in both asset classes as earnings exceeded expectations and access to capital markets improved, contributing to the outperformance of lower-rated credits.

During the period, all but two of the sectors in the high yield bond market gained. The top performing sectors were Retail, Energy, and Healthcare. Conversely, the biggest laggards were Media, Telecommunications, and Utilities. All sectors in the leveraged loan market gained. The top performing sectors were Retail, Chemicals, and Food & Drug. Meanwhile, Metals/Minerals, Media/Telecommunications, and Financials were the biggest laggards.

In the first quarter, capital market activity for high yield bonds more than doubled the volume registered during Q1 of 2023, with over 80% of that total used to refinance existing debt. Similarly, leveraged loan new issue activity increased significantly compared to last year's first quarter, with 88% of such issuance used to refinance or reprice existing debt. Lastly, default activity increased slightly in Q1 2024 compared to the previous quarter. At the end of Q1 2024, the trailing twelve-month default rates for high yield bonds and leveraged loans were 1.7% and 1.9%, respectively. These levels remain below their historical averages of approximately 3%.

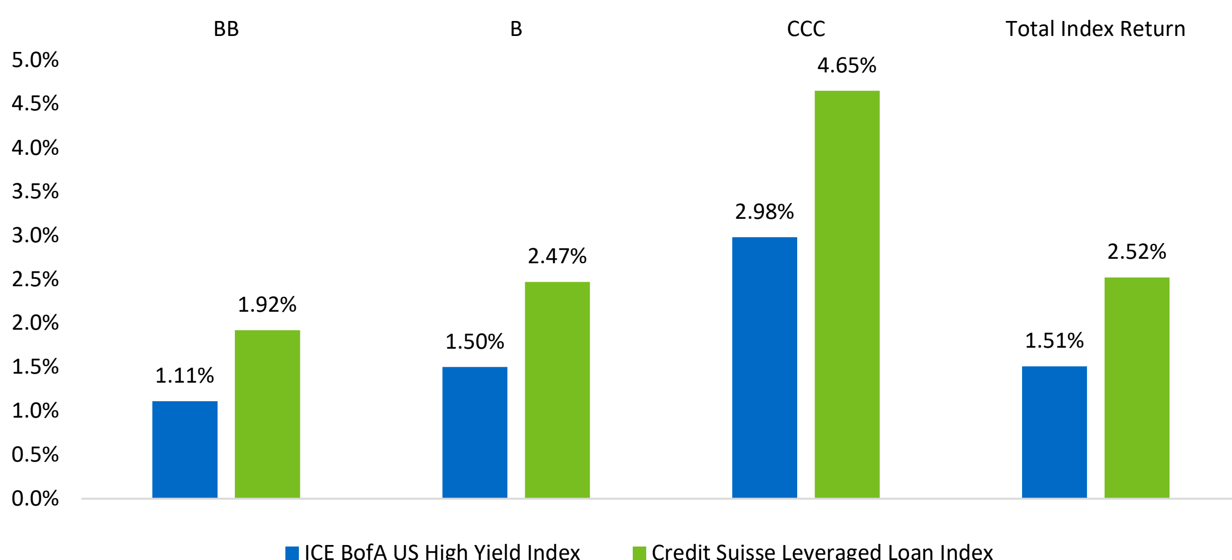
Portfolio Performance & Attribution

The Polen Credit Opportunities Full Discretion Composite (the "Composite") generated a total return of 3.66% gross and 3.38% net of fees during the first quarter. The Composite outperformed the Index by 215 bps gross and 187 bps net of fees. In Q1, U.S. Treasury yields moved higher. The shorter duration and income advantage of the Portfolio[1] relative to the Index contributed to relative performance, while restructured private equity detracted from relative returns.

Focusing on quality attribution, the quality allocation effect was positive. This was driven primarily by the Portfolio's overweight to CCC2-rated and CCC3-rated issues, contributing to relative performance. The Portfolio's aggregate security selection effect by quality rating was positive. Specifically, the Portfolio's CCC2-rated issues outperformed their Index counterparts and contributed to relative performance.

From a sector perspective, the allocation effect was muted, as the negative quality allocation effects of the underweight to Energy and Retail offset the positive effects of the Portfolio's underweight to Telecommunications. The sector security selection effect contributed to relative performance, with the Portfolio's holdings in Capital Goods, Healthcare, and Media outperforming those of the Index. The Portfolio's holdings in Services, which underperformed those of the index, provided some negative offset.

Q1 2024 Total Returns by Quality Rating



Source: ICE, Credit Suisse

[1]Portfolio information provided is based on a representative account of the Polen Credit Opportunities Full Discretion Composite. The representative account is an account within the Polen Credit Opportunities Full Discretion Composite that Polen Capital has deemed the most representative of the accounts managed by Polen Capital pursuing the investment strategy.

Below are notable issuers that contributed to or detracted from the Portfolio's total return for the quarter.

Top Contributors

- **Aveanna Healthcare**, a national leader in home healthcare, focuses on delivering high quality one-on-one care to a broad spectrum of patients. The Portfolio's investment in Aveanna Healthcare's SOFR + 7% Second Lien Term Loan due 2029 traded up during the quarter. The healthcare provider reported better-than-expected Q4 2023 results, issued solid 2024 guidance, and exhibited positive earnings momentum. Aveanna Healthcare is growing its capital structure as labor costs and reimbursement rate dynamics improve. We view the market yield offered by the term loan as attractive compensation. The Portfolio continues to hold the Second Lien Term Loan.

- **Duravant**, a global automation equipment company, provides highly engineered equipment and related aftermarket products and services. Duravant generates approximately 70% of its equipment sales from product lines with market-leading brands. The Portfolio's investment in the Company's SOFR + 6.00% Second Lien Term Loan due 2029 traded up during the quarter on the improved macro-outlook for industrial companies and strong Q4 2023 flash numbers. We believe Duravant is a market leader in providing automation equipment to attractive niche end markets with strong cash flow conversion. The Portfolio continues to hold its position in this issuer.

Largest Detractors

- **American Tire Distributors ("ATD")** is one of the largest independent suppliers of tires to the replacement tire market in North America. ATD distributes nearly 40 million tires annually through its 140+ distribution centers in the U.S. and Canada. The Portfolio's investment in ATD's common stock, negotiated through a Chapter 11 restructuring, depreciated in value during the quarter. ATD's Q4 2023 earnings were softer than expected in a challenging environment for tire volumes. ATD's fiscal year 2024 outlook is subdued due to slower-than-expected results in the first quarter of 2024. The Portfolio maintains its position in this issuer.

- **Asurion, LLC** provides mobile phone insurance in the U.S., Japan, and other countries. The service includes the full logistical operations associated with claim management and fulfillment. The Portfolio's investment in Asurion's SOFR + 5.25% Second Lien Term Loan due 2029 detracted from returns. The Term Loan price declined following an announcement that noncompliance with a customer contract would delay 2023 audits. We believe the noncompliance issue represents a very limited operating headwind. The Portfolio continues to hold the term loan.

Portfolio Activity

Polen Capital made no significant changes to portfolio positioning during the quarter. The Portfolio experienced increased refinancing activity among first lien loan positions, and we deployed those proceeds primarily into high yield bonds. We increased positions in certain existing holdings and executed a handful of relative value transactions, one of which is highlighted below.

- We exited our position in **Tekni-Plex**, a globally-integrated developer and manufacturer of innovative packaging for some of the most recognized brands in healthcare, pharmaceutical, and consumer product markets. Over the past year, our investment in Tekni-Plex 12.75% Senior Notes due 2028 rallied considerably with the improved sentiment towards leveraged credit markets. More recently, the investment's yield and cash flow profile deteriorated due to an increased interest burden and weakening earnings. We eliminated our exposure to the senior notes and redeployed the proceeds to more compelling opportunities.

Outlook

Leveraged credit markets ended 2023 on a high note. The rally extended into 2024, however at a more subdued pace. High yield bond and leveraged loan markets continue to grind tighter in the face of increasing U.S. Treasury yields and continued domestic and geo-political angst. The upcoming U.S. presidential election will likely influence markets as the year progresses.

The decline in yields towards the end of 2023 prompted many leveraged credit issuers to capitalize on lower interest costs by refinancing existing debt in the new year. This dynamic was prevalent across ratings and brought issuers of lower-rated credits back to the primary market.

We believe the year-to-date issuance trend will continue, assuming the lower-yield environment persists, and economic activity remains positive. Although the pace may taper off, primary markets have allowed issuers to extend maturities to give the market more breathing room.

Aside from lower financing costs, lower-rated borrowers could also benefit from an economic "soft landing." The likelihood of this scenario continues to grow. Fundamentals in the high yield market have proven resilient and would be further strengthened by lower rates and positive economic activity. Although loan fundamentals are more challenged than their high yield bond peers, a lower interest rate environment and healthy economic activity could also benefit issuers in this market. Ultimately, this outcome would likely keep default rates at or around long-term averages.

While the Q1 2024 rally further tightened spreads, we maintain a constructive view of the high-yield bond and leveraged loan markets. Tighter credit spreads demand a higher degree of caution, so careful credit selection remains paramount. Aggregate leveraged credit market fundamentals remain healthy. While we anticipate volatility during the remainder of the year, current yield levels are compelling and more than compensate investors for the increased risk associated with tighter spreads. We continue to identify attractive opportunities across each segment of the leveraged credit market. We view the current environment as favorable for an active approach like ours to capitalize on the best relative value opportunities across the leveraged credit market, regardless of credit rating.

Sincerely,

Ben Santonelli and John Sherman

Experience in Leveraged Credit Investing

Ben Santonelli
Portfolio Manager
20 years of experience

John Sherman
Portfolio Manager
19 years of experience

Indices:
ICE BofA U.S. High Yield Index: The ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its Third Party Suppliers and has been licensed for use by Polen Capital Credit, LLC . ICE Data and its Third-Party Suppliers accept no liability in connection with its use. Please contact Polen Capital Credit for a full copy of the applicable disclaimer.
Credit Suisse Leveraged Loan Index: The Credit Suisse Leveraged Loan Index (CS Leveraged Loan Index) is designed to mirror the investable universe of USD institutional leveraged loans, including U.S. and international borrowers.
50% ICE BofA U.S. High Yield Index / 50% Credit Suisse Leveraged Loan Index: The 50% ICE BofA U.S High Yield Index / 50% Credit Suisse Leveraged Loan Index is a blended benchmark comprised of equal allocations of the ICE BofA U.S. High Yield Index and Credit Suisse Leveraged Loan Index.

GIPS Report

Schedule of Investment Performance – Polen Credit Opportunities Full Discretion Composite

September 30, 2013 to December 31, 2022

Year End	Total Gross Return (%)	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Composite Assets at End Period ($Millions)	Firm Assets at End of Period ($Millions)	Composite Dispersion (%)	Composite 3 Yr. Annualized Standard Dev. (%)	Benchmark 3 Yr. Annualized Standard Dev. (%)
2022	-8.17%	-9.08%	-	1	109	6,854	-	10.18%	-
2021	12.43%	10.04%	-	1	120	8,314	-	9.83%	-
2020	9.41%	8.26%	-	1	109	7,987	-	10.00%	-
2019	3.59%	2.55%	-	1	101	7,861	-	3.89%	-
2018	5.48%	4.43%	-	1	99	8,207	-	4.10%	-
2017	10.55%	8.86%	-	1	95	7,831	-	4.23%	-
2016	18.76%	16.91%	-	1	88	7,589	-	4.47%	-
2015	0.75%	-0.25%	-	1	75	7,401	-	-	-
2014	4.37%	3.34%	-	1	75	8,028	-	-	-
2013*	3.39%	3.12%	-	1	73	7,145	-	-	-

Performance % as of 12-31-2023:
(Annualized returns are presented for periods greater than one year)

	1 Yr	5 Yr	10 Yr	Inception
Polen Credit Opportunities Full Discretion (Gross)	18.71	6.79	7.30	7.46
Polen Credit Opportunities Full Discretion (Net)	17.52	5.47	5.98	6.15
Benchmark Return (%)	-	-	-	-

*Partial year, inception 09/30/13

Polen Capital Credit, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Polen Capital Credit, LLC has been independently verified for the periods March 1, 1996 to 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. The verification and performance examination reports are available upon request.

Credit Opportunities Full Discretion Disclosures – GIPS Report

Polen Capital Credit, LLC ("the Firm", "Polen Credit") is an investment adviser, registered with the Securities and Exchange Commission, which specializes in high yield securities and special situations investing.

Polen Credit was formerly known as DDJ Capital Management, LLC. On January 31, 2022, Polen Credit was acquired by Polen Capital Management, LLC. The transaction resulted in no changes to the Polen Credit investment team or its investment process.

The Polen Credit Opportunities Full Discretion Composite ("the Composite") was created in April 2013. The Polen Credit Opportunities Full Discretion strategy seeks to provide high current income and the potential for capital appreciation by investing in a diversified portfolio primarily consisting of lower-rated bank loans and high yield fixed-income securities, private debt, distressed debt, and other similar obligations as well as warrants and common stock received in connection with restructurings of existing obligations or as part of a high yield issue. Portfolios following the strategy will be concentrated, typically holding between 25-45 issuers, with the top 25 issuers typically accounting for up to 90% of net assets. Portfolios within the Composite will be permitted to invest in illiquid securities and may invest up to 100% of net assets in private or illiquid investments. Beginning 12/31/18, the typical range for number of issuers was extended to 45 from 40.

Gross returns do not reflect the deduction of investment management fees, but are net of trading expenses, deal-related legal expenses and foreign withholding tax. Net returns reflect the application of actual management and, if applicable, performance-based fees to gross returns. Composite dispersion is the equal-weighted standard deviation of annual gross returns of all accounts included in the Composite for the entire year. Composite dispersion is not applicable for composites which contain five accounts or fewer for the entire year. The three-year annualized standard deviation measures the variability of the Composite gross returns and the benchmark returns over the preceding 36-month period. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds as well as policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

At 12/31/2022, 33% of Composite assets were valued using subjective, unobservable inputs.

The Composite's strategy is a total return strategy where investments consist primarily of private debt instruments. No benchmark is presented as we believe that no benchmark appropriately reflects this strategy.

Separate Account (Management Fee)	
All Assets	1.00% + 15% Performance Fee (8% Hurdle)

Effective December 2023, the composite's name was changed from Total Return Credit II Composite. There was no change to investment style or objective.

Past performance is not an indication of future results.