

Polen Capital Management
PERFORMANCE HISTORY
GROSS OF FEES

City of Ormond Beach Firefighters' Pension Trust Fund
Regions Morgan Keegan Trust # 3250000561

PCM # 2963

From 04-25-12 to 09-30-13

Time Period	Percent Return Per Period			Cumulative TWR Basis = 100		
	Portfolio	S&P 500 Total Return	Russell 1000 Growth Total Return	Portfolio	S&P 500 Total Return	Russell 1000 Growth Total Return
04-25-12 to 06-30-12	-6.03	-1.62	-3.34	100.00 93.97	100.00 98.38	100.00 96.66
06-30-12 to 09-30-12	4.84	6.35	6.11	98.52	104.63	102.57
09-30-12 to 12-31-12	-0.41	-0.38	-1.32	98.12	104.23	101.21
12-31-12 to 03-31-13	6.51	10.61	9.54	104.50	115.29	110.87
03-31-13 to 06-30-13	-2.16	2.91	2.06	102.25	118.64	113.16
06-30-13 to 09-30-13	6.63	5.24	8.11	109.03	124.87	122.34
Date to Date						
04-25-12 to 09-30-13	9.03	24.87	22.34			
Annualized	6.22	16.76	15.11			

Polen Capital Management
PORTFOLIO APPRAISAL
City of Ormond Beach Firefighters' Pension Trust Fund
Regions Morgan Keegan Trust # 3250000561
PCM # 2963
September 30, 2013

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
COMMON STOCK							
3,167	Abbott Labs	31.54	99,897	33.19	105,113	4.6	1.7
1,517	Accenture Plc	64.06	97,179	73.64	111,712	4.9	2.5
1,410	Allergan Inc	96.53	136,113	90.45	127,535	5.6	0.2
171	Apple Inc	584.35	99,924	476.75	81,524	3.6	2.6
915	Auto Data Processing	73.29	67,062	72.38	66,228	2.9	2.4
883	C.H. Robinson	60.77	53,658	59.56	52,591	2.3	2.4
2,266	Ebay Inc	52.55	119,079	55.79	126,420	5.6	0.0
1,239	Facebook Inc Cl A	36.05	44,660	50.24	62,247	2.7	0.0
721	Factset Research	103.48	74,609	109.10	78,661	3.5	1.3
870	Fastenal	49.79	43,322	50.25	43,718	1.9	2.0
827	Gartner Inc	51.11	42,268	60.00	49,620	2.2	0.0
194	Google Inc	615.05	119,319	875.91	169,927	7.5	0.0
1,770	Intuit Inc	57.90	102,482	66.31	117,369	5.2	1.1
70	Mastercard Inc	623.42	43,639	672.78	47,095	2.1	0.2
2,569	Nike Inc Cl B	51.00	131,030	72.64	186,612	8.2	1.2
3,092	Oracle Corp	28.87	89,266	33.17	102,562	4.5	1.4
2,200	Qualcomm Inc	63.42	139,524	67.36	148,192	6.5	2.1
1,789	Starbucks Corp	59.44	106,330	76.97	137,699	6.1	1.1
1,920	T. Rowe Price Group	63.18	121,300	71.93	138,106	6.1	2.1
837	Visa Inc Cl A	168.99	141,442	191.10	159,951	7.1	0.7
346	W.W. Grainger Inc	227.54	78,727	261.71	90,552	4.0	1.4
			1,950,833		2,203,432	97.1	1.2
CASH AND EQUIVALENTS							
	Dividend Accrual		897		897	0.0	0.0
	Regions Trust Cash Sweep		64,437		64,437	2.8	0.0
			65,334		65,334	2.9	0.0
TOTAL PORTFOLIO			2,016,167		2,268,766	100.0	1.2

POLEN | CAPITAL

2700 N. Military Trail, Suite 230 • Boca Raton, FL 33431 • Tel: 561-241-2425 • www.polencapital.com

October 8, 2013

3rd Quarter 2013 Portfolio Commentary

Polen Capital's Large Cap Growth Model Portfolio (the "Portfolio") returned 6.65% for the 3rd quarter of 2013 versus 8.11% for the Russell 1000 Growth Index (the "Russell 1000 Growth") and 5.24% for the S&P 500 Index (the "S&P 500" and together with the Russell 1000 Growth, the "Indices").

Our past commentaries have highlighted our steadfast belief that earnings growth will drive share prices over time. This view remains unchanged and the Portfolio's performance since inception corroborates our belief (see historical performance chart on last page). Our Portfolio's weighted average EPS growth has been only slightly below the roughly 14% annualized investment return generated by our holdings since inception. This compounded annual return of approximately 14% is more than 400 basis points above the annual returns of the Indices over the same period and the underlying earnings growth disparity between our Portfolio and the Indices is even greater. Earnings growth drives value and share prices over the long-term, so we remain focused on identifying businesses with strong long-term earnings growth potential. We are also pleased to report that the companies in our Portfolio continue to deliver the type of earnings growth that we believe will produce market-beating returns over time.

Putting this year's market appreciation in context with our views on earnings growth is instructive. Through the first three quarters of 2013, the Indices are up roughly 20% and Polen Capital's Large Cap Growth Portfolio is up approximately 11%. Earnings growth, however, reveals a different story. On a weighted average basis, our portfolio companies continue to grow earnings at a solid double-digit rate while the broader market's overall earnings growth has been tepid. Through the first six months of 2013, earnings per share of the S&P 500 only grew approximately 5% year-over-year, yet the index appreciated 14% during that span. Our Portfolio, on the other hand, grew its earnings 16% year-over-year in the first half of 2013 but only appreciated approximately 4%. Thus, nearly three-quarters of the S&P 500's appreciation in the first half of 2013 is attributable to expansion of the market P/E multiple. Meanwhile, our Portfolio has actually experienced multiple compression this year as our portfolio companies' earnings growth has exceeded share price appreciation.

We have seen similar dynamics play out in the past when the Indices' returns have decoupled from underlying earnings growth. This has typically occurred in big up markets, such as 1998-1999, 2003 and the middle of 2009. Not surprisingly, our Portfolio trailed the Indices during most of these time periods. While significant divergences between share prices and underlying earnings growth are certainly not unprecedented, history has shown that these deviations revert over time. Earnings (and dividends) drive equity returns over the long-term, and our research process is designed to uncover companies that have strong long-term earnings power. This point underscores our unyielding conviction in holding a concentrated portfolio of financially superior, competitively advantaged growth companies.

* * * * *

Portfolio Activity

In the 3rd quarter, we added Facebook, Automatic Data Processing (ADP), and MasterCard to the Portfolio. We increased our position in eBay. We sold Intuitive Surgical and Varian Medical Systems out of the Portfolio.

Facebook has over 1.15 billion active users, which we believe represents approximately 50% of the world's internet population excluding China, making it the world's leading social network by a wide margin. Users are attracted to the network because of the ability to connect with, and view loads of content from, friends, family and others in a real life setting. These new users then add even more content, which in turn drives additional user growth. This virtuous cycle, combined with top notch management and engineering, should allow Facebook to maintain its dominant position within the space. With respect to monetizing this network, Facebook has quickly grown its mobile advertising business from non-existent in the first half of 2012 to a \$1+ billion business in the first half of 2013 alone. As the gap between advertising dollars spent on mobile devices and time spent on mobile devices continues to narrow, and as Facebook continues to take market share within the mobile advertising space due to its ability to serve more targeted and engaging ads to an unrivaled user base (more people visit Facebook in just the U.S. each day than watch the Super Bowl), we believe Facebook's advertising revenue should continue to grow at a robust pace. In addition, there are opportunities for significant margin expansion and optionality around Instagram, Graph Search, third party ad serving, ecommerce, payments, etc.

ADP is a company that we are quite familiar with having owned it from early 2007 to early 2009. While ADP's core business remains payroll processing, management has fundamentally improved the growth profile of the company by expanding into areas beyond payroll that include benefits administration, human resource management and tax and compliance solutions. The opportunities in non-payroll solutions are vast with a potential global addressable market of roughly \$90 billion. Additionally, the company has spent many years upgrading its technology platforms which are currently being rolled out to clients. These new platforms provide better integration of ADP's many services which has in turn improved attach rates, retention rates and has led to more upselling of additional applications. ADP has been negatively impacted by the continual decline in interest rates which affects the float income (interest earned on client funds until they are remitted to the applicable tax authorities) the company generates from its payroll business. As interest rates have seemingly begun to find a floor, the headwind from declining rates should meaningfully subside for ADP going forward and should turn into a nice tailwind if rates eventually rise toward more normal historical levels. Finally, ADP is very shareholder friendly as it returns nearly all of its free cash flow through a combination of stock buybacks and steady dividend increases. ADP's stable payroll business, which is a 90% recurring revenue business, combined with the company's faster growing non-payroll services and consistent return of cash to shareholders should enable ADP's stock to generate healthy investment returns going forward.

MasterCard is the second largest global electronic payment network. The company benefits from a long-term secular shift in commerce toward electronic payments. Today, 85% of transactions globally are completed with cash or check. We expect this to change over time as consumers and merchants continue to benefit from the simplicity and security inherent in utilizing MasterCard's network. MasterCard investors stand to benefit from the company's dominant global position, high incremental margins, and shareholder friendly management. MasterCard is continually hounded by regulators and litigants, but those risks seem unlikely to

meaningfully impact this well entrenched network. We believe the business is well positioned to generate earnings per share growth in excess of 15% for the next several years based on these positive attributes.

We sold Intuitive Surgical after the company warned that robotic systems sales growth slowed dramatically in the second quarter. Intuitive Surgical continues to hold a monopoly on minimally invasive robotic surgery with recurring revenues accounting for more than 50% of sales. Unfortunately, the business was beset by a combination of reduced hospital capital investment, slowing robotic surgical procedure growth and a rash of negative publicity in conjunction with lawsuits. Intuitive Surgical started the year expecting revenue growth north of 20%, but reduced expectations to 0-7% revenue growth. We believe Intuitive Surgical's business is unique, but the long-term growth prospects appear to be more muted than our previous projections and, at the current valuation, an adequate investment return seems less likely than we originally anticipated.

We also exited our position in Varian Medical during the quarter. Despite the company's still dominant position in the global radiation therapy market, the downward pressure on reimbursement rates in developed markets, a tepid economic recovery in many geographies and general uncertainty about healthcare reform in the U.S. have combined to weigh on the overall growth of the business. While Varian has navigated these issues admirably over the past few years, it is unlikely that these pressures will abate anytime soon which may lead to a long-term earnings growth rate below our requirements for a company of this size. Thus, we feel there are better opportunities and have moved on.

Contributors and Detractors

The top three contributors (portfolio weight multiplied by return) in the third quarter were Nike (+1.06%), Starbucks (+0.98%) and QUALCOMM (+0.70%). The bottom three contributors to the Portfolio in the third quarter were Intuitive Surgical (-0.62%), Abbott Labs (-0.22%) and T. Rowe Price Group (-0.08%).

* * * * *

Earnings growth is what drives share prices over time, and our research process continues to uncover companies with strong long-term earnings power. Share prices have risen far faster than earnings among the market Indices year-to-date. Although our Portfolio has not benefited from the P/E multiple expansion garnered by certain segments of the market (namely highly levered and high dividend paying companies) recently, we have no doubt that businesses that produce consistent, high-quality earnings growth will be properly rewarded over time. Interestingly, if our return through the third quarter of 2013 were annualized, it would be right on our long-term investment return and very close to the earnings growth of the Portfolio as well.

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

Sincerely,

PCM Investment Team

**Polen Capital Historical Returns
as of
September 30, 2013**

Polen Capital 3Q2013 Performance Update			
	PCM (Gross)	R1000G	S&P 500
Sep-13	5.77%	4.46%	3.14%
3Q13	6.65%	8.11%	5.24%
YTD	10.88%	20.87%	19.79%
1 Year	9.64%	19.27%	19.34%
3 Years	14.71%	16.94%	16.27%
5 Years	11.77%	12.07%	10.02%
7 Years	9.56%	7.60%	5.60%
10 Years	9.06%	7.82%	7.57%
15 Years	8.29%	4.28%	5.33%
20 Years	12.92%	8.18%	8.80%
Since Inception (1/1/89)	14.07%	9.57%	9.93%

*Returns are trailing through 9/30/13. Annualized returns are presented for periods greater than 1 year.

GIPS Disclosure

Polen Capital Management Large Capitalization Equity Composite-Annual Disclosure Presentation

Year	Total	UMA	Firm	Composite Assets		Annual Performance Results					3 Year Standard Deviation**		
				Assets	Assets	U.S. Dollars	Number of	Composite	S&P	Russell 1000	Composite	PCM	S&P
End	(millions)	(millions)	(millions)	(millions)	Accounts	Gross	Net	500	Growth	Dispersion	Gross	500	Growth
2013*	4,670	1,038	3,632	1,730	275	10.88%	10.39%	19.79%	20.87%	0.1%	12.24	12.41	12.56
2012	4,527	889	3,638	1,584	359	12.36%	11.68%	16.00%	15.26%	0.1%	15.77	15.09	15.66
2011	2,374	563	1,812	596	185	9.17%	8.38%	2.11%	2.64%	0.2%	15.74	18.71	17.76
2010	1,182	322	860	332	127	15.65%	14.68%	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%	36.64%	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%			
1992	16	-	16	11	24								

*Performance represents partial period (January 1, 2013 through September 30, 2013), assets and accounts are as of 9/30/13. ** 2013 3 Year Standard Deviation is 3 year trailing, as of 9/30/13.

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 Index. 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 September 30, 2012.

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 September 30, 2012. 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.

POLEN | CAPITAL

www.polencapital.com