CONGRESS ASSET MANAGEMENT COMPANY

Portfolio Commentary

1Q 2021

Balanced Portfolio

Market Environment

After a year of pandemic induced restrictions, the U.S. economy is primed to accelerate to levels not seen in decades. Europe may be a few months behind, but parts of Asia are already humming. Inoculations combined with naturally occurring antibodies are bringing population immunity close to the tipping point. Government initiatives through monetary and fiscal policies provided a bridge to span the year-long morass and will continue to fuel the economy into the foreseeable future.

The financial markets spent the last quarter recalibrating to a year that promises enhanced growth opportunities with an anticipated bout of heightened inflation. Bond yields have risen reflecting higher inflation expectations that usually accompany high growth prospects. The S&P 500 has trended up but that masks the sometimes violent swings between both perceived reopening plays and pandemic beneficiaries as well as large capitalization companies versus smaller companies.

Portfolio repositioning impacts were felt in the commodities markets as well with energy products and copper notably rising. Bitcoin and "meme" driven, relatively illiquid stocks, have captured traders' imaginations but longer term present more risk than reward for the average investor.

Performance Summary

The Congress Balanced Portfolio ("The Portfolio") returned 1.07% (gross of fees) during the quarter, while the Portfolio's blended index, 60% S&P 500 / 40% Bloomberg Barclays Intermediate Government/Credit Index ("The Index") returned 2.93%.

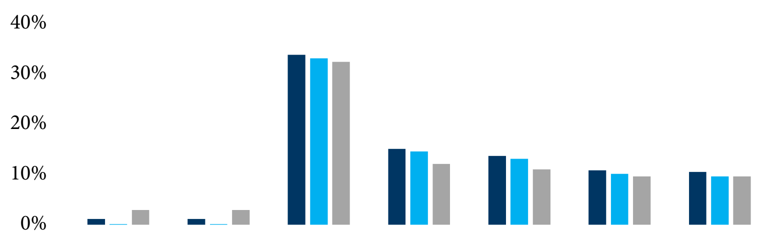
Portfolio Discussion

Our allocation between equity and fixed income securities remains at 65% equites and 35% fixed income. There are a number of factors we consider, some economic such as the level of interest rates, inflation, and expected economic growth. We also consider stock market fundamentals including earnings expectations, valuations, and revenue generating opportunities.

As we reach the anniversary of the initial impact of the pandemic-induced lockdowns, economic activity and corporate earnings are beginning to reflect an environment that is re-opening. This will likely support broad based earnings growth. Central banks are also continuing to support monetary stimulus. When these factors are coupled with high savings rates and pent up demand, potential inflation has emerged as an intermediate term threat.

Given the dual goal of balanced accounts: Growth and stability, we remain at 65% equity and 35% fixed income.

Average Annualized Performance % as of 3/31/2021



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Balanced (Gross)	1.1	1.1	33.8	15.1	13.7	10.8	10.5
Balanced (Net)	0.1	0.1	33.1	14.6	13.1	10.1	9.6
Benchmark[1]	2.9	2.9	32.4	12.1	11.0	9.6	9.6

[1]Blended Benchmark: 60% S&P500/40% Bloomberg Barclays US Intermediate Govt/Credit Index

Equity Sleeve

The top contributor was **Caterpillar, Inc.** is the world's leading manufacturer of construction and mining equipment. After years of underinvestment, most of CAT's end-markets are poised to see accelerated demand driven by increasing economic activity. **Pioneer Natural Resources Company (PXD)** is an independent oil and gas exploration and production company. The stock's performance was fueled by better-than-expected quarterly results as the company reported excellent operational efficiency. **NXP Semiconductors N.V. (NXPI)** is a leading global semiconductor company providing high performance mixed-signal solutions to the Automotive, Mobile, Industrial & IoT, and Communications Infrastructure end markets. The company continues to benefit from the acceleration in order growth due to the recovery in the semiconductor industry. **Alphabet, Inc. Class A (GOOGL)** is a global technology leader focused on the way people connect with information. Growth in advertising and the Google Cloud platform in the quarter resulted in the stock's outperformance. **Home Depot, Inc. (HD)** is the world's largest home improvement specialty retailer. The stock increased on the back of a very robust housing market.

In contrast, **Paycom Software, Inc. (PAYC)**, a leader in payroll and human capital management applications that enable small and mid-market businesses to better manage the employment life cycle, detracted from performance. The stock continues to be pressured by the high unemployment rate. **Apple, Inc. (AAPL)** is the world's largest information technology company. Despite reporting good quarterly results highlighted by robust growth in iPhone sales, AAPL, along with other big tech stocks, was negatively impacted by rising treasury yields. This gave investors pause in paying higher prices for big tech stocks. **Lululemon Athletica, Inc. (LULU)** manufactures and sells athletic apparel. The stock traded off due to increased investment in its MIRROR acquisition, which will weigh on LULU's earnings growth. **ANSYS, Inc. (ANSS)** is an engineering simulation software company that serves engineers, designers, researchers, and students across a broad spectrum of industries. The company reported positive results across various metrics. However, management's lackluster guidance pressured the stock. **Vertex Pharmaceuticals, Inc. (VRTX)** is a biopharmaceutical company focused on developing treatments for cystic fybrosis. Concerns surrounding the company's pipeline weighed on the stock during the quarter after the failure of one if its molecules used to fight AAT (alpha-1 antitrypsin) deficiencies at the end of 2020.

Top Equity Contributors[2]

Stock	Avg. Weight%	Contribution%
Caterpillar, Inc.	3.22	0.80
Pioneer Natural Resources Company	1.69	0.66
NXP Semiconductors NV	2.46	0.60
Alphabet, Inc. Class A	2.56	0.42
Home Depot, Inc.	2.64	0.40

Top Equity Detractors/Contributors[2]

Stock	Avg. Weight%	Detraction%
Paycom Software, Inc.	2.36	-0.48
Apple, Inc.	3.48	-0.30
Lululemon Athletica, Inc.	2.14	-0.27
ANSYS, Inc.	2.96	-0.22
Vertex Pharmaceuticals, Inc.	1.83	-0.19

Fixed Income Sleeve

Security selection within U.S. Treasuries benefited relative performance as shorter dated issues outperformed. An overweight to high-quality, Industrial sector corporate issues also improved relative performance. However, a slight duration mismatch with the benchmark weakened relative performance. Security selection within Industrial sector corporates also detracted from relative performance as longer dated securities underperformed.

Top Fixed Income Contributors[2]

Issue	Avg. Duration%	Contribution%
Wells Fargo & Company	1.11	0.01
US Treasury Feb-2022	0.99	0.00
US Treasury Aug-2021	0.52	0.00
US Treasury Jun-2022	1.36	0.00
Toyota Motor Credit Corporation	0.96	0.00

Top Fixed Income Detractors/Contributors[2]

Issue	Avg. Duration%	Detraction%
US Treasury May-2027	5.81	-0.16
US Treasury Feb-2028	6.38	-0.18
Intel Corporation	7.74	-0.22
Target Corporation	7.00	-0.26
Oracle Corporation	7.84	-0.30

Information is as of 3/31/2021. Sources: Congress Asset Management, Bloomberg Finance L.P., Barclays Investments, and FactSet Research Systems. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings, sector weightings and securities identified as top contributors and detractors throughout this presentation are subject to change and should not be considered investment advice or a recommendation to buy or sell a particular security. Actual holdings may vary by client. The securities identified do not represent all the securities purchased, sold or recommended to clients. For information regarding the methodology used to select these holdings or to obtain a list showing the contributions of every holding in the strategy's representative account, which we believe reflects the Congress Balanced's Composite to both a current and/or prospective client, please contact us at 1-800-234-4516. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce investment performance. Past performance does not guarantee future results. [2]The information shown is for a representative account as of 3/31/2021. Actual client account holdings and sector allocations may vary.

Transactions

1Q 2021 Transaction Summary - Equity Sleeve

Sector Allocation Changes	Purchased	Sold
• Increase in Materials & Energy • Decrease in Communication Services & Real Estate	Freeport-McMoRan, Inc. (FCX) - Materials Pioneer Natural Resources Co. (PXD) - Energy CME Group, Inc. (CME) - Financials	S&P Global, Inc. (SPGI) - Financials Verizon Communications, Inc. (VZ) - Communication Services Crown Castle International Corp. (CCI) - Real Estate

1Q 2021 Sector Allocation Changes - Fixed Income Sleeve

Purchased	Sold
• Wells Fargo Corp. (WFC) of 04/22/2026 to extend in the name and add duration • Goldman Sachs (GS) 3.75% of 05/25/2025 to adjust duration and improve liquidity and yield • US Treasury of 10/31/2023 to adjust duration	• Wells Fargo Corp. (WFC) of 03/08/2022 due to liquidity and spread concerns • Toyota Motor Credit Corp. (TOYOTA) of 01/11/2022 due to spread and make whole concerns • US Treasury of 08/15/2021 due to its low yield

Manager Outlook

Equity Sleeve

The U.S. economy is clearly expanding at an accelerating rate, in our view, with little chance of retreat. Europe is trailing by at least a month. The intermediate term threat is not COVID, but is instead inflation. Inflation is a monetary phenomenon that has been a non-event for decades. Now, the Fed has succeeded in growing the monetary base, which has risen 25% over the past year, and is willing to let the economy run hot and inflation high. In addition, consumer and business demand for goods is very strong. Supply shortages are ubiquitous from semiconductors to automobiles to paper goods. Retailers are increasingly competing more on product availability than price. Supply chain challenges are unlikely to be resolved quickly and were further inflamed with the recent grounding of the Ever Given container ship in the Suez Canal.

As the immediacy of the pandemic stresses ease later this year, investor attention is likely to focus on the financial aftermath – what we do about our ever-increasing public debt. Our debt level is now larger than the size of our economy, an arbitrary level but one rarely breached in peace time. The debt burden is mitigated by the current low interest rate environment. Interest on public debt stands at 1% of gross domestic product but will trend towards about 3% in the next decade. Interest rates fluctuate, however and we are likely to see higher long term rates next year, not lower.

The political path of least resistance for ensuring proper debt service is tax increases. We anticipate the tax discussion to take center stage concurrent with the next infrastructure package and that some increases are inevitable. The degree and form of tax increases matters a great deal. A bipartisan plan would likely do a better job of managing the impact of higher taxes on future growth. As in all tax discussions, substance will matter more than rhetoric.

After the astounding stock market recovery from the March 23, 2020 pandemic lows, investors are understandably nervous. Market rotations have been violent as higher interest rates and broadening growth opportunities have deflated some pockets of speculative froth. Over time, however, the stock market reacts to corporate earnings. The economy is providing a solid base for earnings to grow, supporting stocks albeit with more mundane returns than those experienced over the past year. Bonds will likely tread water as market interest rates trend slowly upward.

Fixed Income Sleeve

Performance for the quarter was impacted by stationary spread levels and rising interest rates. These two effects led to a modest down quarter for intermediate maturity fixed income issues, the first negative return quarter since the first quarter of 2018. Longer maturity issues were harder hit than short-term issues due to the disproportionate upward shift in longer rates. All of our intermediate index sector returns were negative with U.S. Treasuries slightly outperforming Corporate issues.

Looking ahead, we expect to see continued volatility for the long end of the curve. Corporate spreads will likely remain narrow as the thirst for yield will continue while interest rates are low. The speed of the economic recovery is much more of a wildcard given the uncertainty over the curtailment of the pandemic. Economic data appears promising so far, but there remain questions about the sustainability of the pace and breadth of the improvements. This uncertainty will permit the Fed to keep short-term rates low for quite some time.

Congress Asset Management Co. Balanced Composite 1/1/2010 - 12/31/2019

Year	Total Return Gross of Fees%	Total Return Net of Fees%	60% S&P 500 40% BBUIGCI Blend Return % (dividends reinvested)	CAM Recomm. Allocation %	Composite Gross 3-Yr St Dev (%)	60% S&P 500 40% BBUIGCI Blend Return 3-Yr St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2019	24.5	23.9	21.3	65/35	7.6	7.1	26	1.66	44	8,445	12,528
2018	2.5	2.0	-2.0	65/35	7.0	6.3	21	0.67	32	7,102	10,234
2017	19.2	18.5	13.6	70/30	6.7	5.8	10	n/a	15	7,272	10,546
2016	4.7	4.0	8.1	70/30	7.3	6.3	6	n/a	7	5,693	8,139
2015	2.4	1.7	1.5	65/35	7.6	6.3	11	0.61	13	5,941	7,094
2014	8.0	7.3	9.4	65/35	7.1	5.5	15	0.77	20	6,328	7,449
2013	19.7	19.0	18.1	65/35	8.6	7.2	13	2.33	14	6,489	7,467
2012	9.2	8.6	11.1	65/35	9.9	8.8	18	0.42	23	6,755	7,498
2011	4.3	3.7	3.9	65/35	11.0	11.3	14	0.51	15	6,329	7,014
2010	9.7	9.1	11.8	65/35			16	0.32	24	6,416	6,678

#The "Total Firm Assets" column is provided as supplemental information and also includes unified managed account (UMA) assets

Congress Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Congress Asset Management has been independently verified for the periods 1/1/96 – 12/31/19. The verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

Firm Information: Congress Asset Management Co. (CAM) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Registration does not imply a certain level of skill or training. CAM manages a variety of public equity, private equity, fixed income and ETF managed portfolios for private and institutional clients. CAM acquired Prelude Asset Management, LLC on March 15, 2010. CAM merged with Congress Capital Partners, LLP on June 30, 2015. CAM acquired certain strategies of Century Capital Management, LLC on September 15, 2017.

Composite Characteristics: The Balanced Composite was created on January 1, 1993 and the inception date of the composite is January 1, 1985 which reflects the first full month in which an account was fully invested in the strategy and met the inclusion criteria. The composite includes all fully discretionary accounts with a value over $500 thousand (US dollars) managed with the recommended asset allocation between large cap equities and fixed income set by the Investment Policy Committee for a minimum of one full month. The current recommendation is a 65/35 allocation and accounts with allocations falling within 15% of the recommendation are eligible for composite inclusion. Accounts with wrap commissions are excluded from the composite. Prior to September 1, 2005 the composite did not include taxable accounts, private client accounts, or accounts with less than $1 million. For the Balanced Composite we present a custom benchmark, which is a 60/40 blend of the S&P 500 Index and Bloomberg Barclays US Intermediate Government/ Credit Index. The benchmark is calculated in Advent Portfolio Exchange. The benchmark returns are not covered by the report of independent verifiers. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. A complete list and description of all firm composites is available upon request. Prior to January 1, 1993 the composite is not in compliance with GIPS.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars. Monthly composite performance is calculated as an asset-weighted return using the aggregate method. This method aggregates market values and cash flows for all accounts and treats the composite as if it were one account. Monthly composite returns are geometrically linked to produce a time-weighted annual return. Beginning June 1, 2015 the composite is valued daily. Prior to that date, the composite was re-valued on each date that a cash flow exceeded 10% of the total market value of the composite. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Prior to 2007 net of fees returns were calculated by reducing gross returns by the highest management fee in the Balanced composite, which was 1.00%. Effective January 1, 2007 net of fees returns are calculated using actual management fees. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. Accruals for fixed income and equity securities are included in calculations. Internal dispersion is calculated using the asset-weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. It is not presented for 2010 as it is not required for periods prior to 2011. In January of 2006, the calculation methodology for the benchmark blended index was changed; prior to this time the benchmark returns were calculated using CAM's end of period recommended asset allocation. The calculation was changed to reflect a benchmark allocation of 60% equity/40% fixed to better contrast CAM's strategic and tactical allocation.

Fee Schedule: The firms' individual account fee schedule is as follows: 1.00% for first $1 million, 0.80% for next $4 million, 0.60% for next $5 million. Management fees for individual accounts with assets under management exceeding $10 million, and for institutional accounts are negotiated. The individual account fee schedule may be subject to negotiation where circumstances warrant. As fees are deducted quarterly, the compounding effect will increase the impact of the fees by an amount directly related to the gross account performance. For example, an account earning a 10% annual gross return with a 1% annual fee deducted quarterly would earn an 8.9% annual net return due to compounding.

Other Disclosures: Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value.