



Market Review

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.

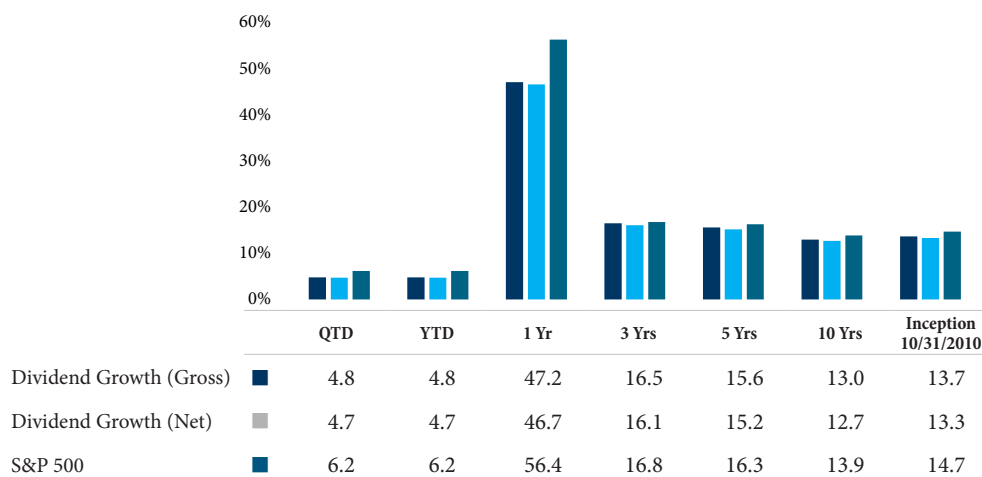
Portfolio repositioning impacts were felt in the commodities markets as well with energy products and copper notably rising. Bitcoin and “meme” driven, relatively illiquid stocks, have captured traders’ imaginations but longer term present more risk than reward for the average investor.

Performance Overview

The Congress Dividend Growth Portfolio (“the Portfolio”) returned 4.81% gross of fees during the quarter, while the S&P 500 Index (“the Index”) returned 6.17%.

Portfolio holdings Martin Marietta Materials, Inc., Tractor Supply Company, Intel Corporation, JPMorgan Chase & Co., and Home Depot, Inc. contributed to performance during the quarter. However, Apple, Inc., Colgate-Palmolive Company, Costco Wholesale Corporation, Nike, Inc. Class B, and Nestle S.A. detracted from performance.

Average Annualized Performance % - as of 3/31/2021



Performance is preliminary and subject to change at any time

This information is supplemental to the GIPS Composite Report

Information is as of 3/31/2021. Sources: Congress Asset Management, FactSet, and Informa Investment Solutions. This information is for illustrative purposes and is subject to change at any time. Holdings and performance information throughout this presentation is subject to change and should not be considered investment advice or a recommendation to buy or sell a particular security. Actual holdings and performance may vary by client. Past performance does not guarantee future results. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce investment performance. Performance returns of less than one year are not annualized.

First Quarter 2021 Highlights

Top 5 Stock Contributors and Detractors

Contributors

STOCK	AVG. WEIGHT%	CONTRIBUTION%
Martin Marietta Materials, Inc.	3.30	0.57
Tractor Supply Company	2.40	0.57
Intel Corporation	1.10	0.47
JPMorgan Chase & Co.	2.43	0.46
Home Depot, Inc.	2.70	0.40

Martin Marietta Materials, Inc. (MLM) is a leading supplier of building materials, including aggregates, cement, ready mixed concrete, and asphalt. MLM's recent quarterly results came in well ahead of expectations and included strong margin expansion. The company is positioned to benefit from increased infrastructure spending in the U.S., aided by government stimulus programs.

Tractor Supply Company (TSCO) is the largest operator of rural lifestyle stores, focused on supplying the needs of recreational farmers and ranchers along with tradesmen and small businesses. TSCO's results continued to show significant positive impact from COVID as customers remained focused on their homes, lands, and animals. TSCO also made a sizable, accretive acquisition in the quarter, adding 167 units to its store base. This acquisition was positively viewed by the investor community.

Intel Corp. (INTC) is a leader in the design and manufacturing of essential products and technologies that power the Cloud and an increasingly smart, connected world. The announcement that Pat Gelsinger will be returning to INTC to take over the CEO role was widely embraced by the market. Optimism around his ability to correct INTC's current struggles propelled the stock after the announcement.

JPMorgan Chase & Co. (JPM) is a leading global financial services firm serving millions of consumers, small businesses, and many of the world's most prominent corporate, institutional, and government clients. The rising and steepening of the yield curve this year points to improved bank profitability in the coming quarters.

Home Depot, Inc. (HD) is the world's largest home improvement specialty retailer with over 2,200 retail stores in North America. The stock increased as result of a very robust housing market.

Detractors

STOCK	AVG. WEIGHT%	DETRACTION%
Apple, Inc.	2.56	-0.23
Colgate-Palmolive Company	2.21	-0.19
Costco Wholesale Corporation	2.43	-0.19
Nike, Inc. Class B	2.91	-0.17
Nestle S.A.	2.65	-0.16

Apple, Inc. (AAPL) is the world's largest information technology company. Despite reporting solid quarterly results driven 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.

Colgate-Palmolive Company (CL) specializes in the production of oral care, personal care, home care, and pet nutrition products that are distributed and sold around the world. CL reported solid results in the quarter. Despite this, the stock underperformed the market along with other household and personal care companies. Investors are starting to question how business results will compare along with potential inflationary pressures on the horizon.

Costco Wholesale Corp. (COST) is an international membership warehouse club. COST continued to enjoy robust sales growth in the quarter but elevated COVID expenses pressured margins. The market's rotation out of COVID winners was also partly to blame for the underperformance.

Nike, Inc. (NKE) is the world's leading designer, marketer and distributor of authentic athletic footwear, apparel, equipment, and accessories for a wide variety of sports and fitness activities. Port congestion and a global container shortage led to delayed deliveries in the quarter resulting in reported revenues missing expectations. While the issues are expected to be transitory, the results weighed on the shares.

Nestlé S.A. (NSRGY) is a nutrition, health, and wellness company. In the quarter, NSRGY reported in-line results and indicated it was finished selling assets as part of its portfolio reshaping initiative. 2021 guidance for mid-single-digit organic growth was ahead of expectations, but margins will likely be pressured by worsening foreign exchange headwinds.

Information is as of 3/31/2021. Sources: Congress Asset Management 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 Dividend Growth'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. ¹The information shown is for a representative account.

1Q 2021 Transaction Summary

Purchased

- Caterpillar, Inc. (CAT) - Industrials
- Chevron Corporation (CVX) - Energy
- Estee Lauder Companies, Inc. (EL) - Consumer Staples

Sold

- Intel Corp. (INTC) - Information Technology
- Hubbell, Inc. (HUBB) - Industrials

Purchased

Caterpillar, Inc. (CAT) is the world's leading manufacturer of construction and mining equipment. The company is positioned to benefit from global stimulus programs that should increase infrastructure spending. CAT has also successfully implemented aggressive cost takeouts, reduced its manufacturing footprint, invested in services, and expanded its offerings. Further, management is confident about volume recovering in 2021 as they expect end-user demand to pick up along with dealer re-stocking.

Chevron Corporation (CVX) engages in the business of integrated energy and chemical operations. CVX is dedicated to maintaining capital discipline while prioritizing investments that grow long term value and deliver higher returns while lowering carbon impact. CVX's prudent management has positioned the company to withstand volatility in the energy industry as it recovers from the impact of the pandemic.

Estee Lauder Companies, Inc. (EL) is one of the world's leading manufacturers and marketers of quality skin care, makeup, fragrance, and hair care products that are sold under various brand names including Estee Lauder, Clinique, Le Mer, Aveda, and MAC. EL has performed better than expected during the pandemic as it successfully increased focus on its e-commerce business. Additionally, its China business segment performed exceptionally well, driving overall results. A strong balance sheet, ongoing innovation, and investment in e-commerce should fuel future growth.

Sold

Intel Corp. (INTC) is a leader in the design and manufacturing of essential products and technologies that power the Cloud and an increasingly smart, connected world. Intel delivers computer, networking, and communications platforms to a broad set of customers worldwide. During the second half of 2020, the company announced delays in its 7nm process, raising competitive and strategy concerns. This was followed by surprising weakness in its Data Center business, which hurt margins and is expected to continue. A new CEO and activist investor helped stock performance recently, but it could take some time to see operational results improve.

Hubbell, Inc. (HUBB) designs, manufactures, and sells electrical and electronic products for non-residential and residential construction, industrial, and utility applications. Electricity demand from key customers in the commercial and industrial space dropped, while residential demand saw increases as the pandemic kept people at home. The recovery in overall demand has been slow as the work from home trend continues. While the company has performed well, we feel there are better opportunities elsewhere in the sector.

Outlook

From an economic perspective, we have entered uncharted territory. Never has the global economy, let alone the U.S. economy, experienced this much fiscal or monetary stimulus. The Federal Reserve (Fed) continues to

increase the money supply by purchasing \$120 billion of bonds monthly. The Fed also reaffirmed their intent to leave short term rates unchanged into 2023 or at least until inflation averages 2% and the economy achieves full employment. This is breaking new ground as the Fed is anticipating signs of inflation as fleeting and not deleterious. In addition, the Fed strayed from its nonpartisan approach by supporting Congress's fiscal stimulus plans.

Congress took the Fed's cue and passed the fifth major stimulus package, the American Rescue Plan (ARP) in March. Included in the \$1.9 trillion plan was \$1400 for qualifying individuals, sure to boost savings and spending as spring progresses. On its own the ARP represents about 10% of our annual economic output. All told, fiscal stimulus enacted over the past two years totaled \$5.1 trillion, dwarfing the stimulus enacted in response to the great financial crisis over a decade ago and representing a much larger part of our economy.

Simultaneous monetary and fiscal packages of these sizes are unprecedented. Even with that, the packages have not alleviated the struggles and suffering of many. Our education system and service industries continue to search for stable ground. The long-term consequences of school closures may be with us for another decade. Many restaurants and small businesses will never reopen. Yet, green shoots have sprouted. Enterprising entrepreneurs have begun to fill the void. Manufacturers are struggling to meet pent up demand. Consumers will likely soak up restaurant and hotel capacity as quickly as it appears.

In the aggregate, measures of consumers' financial health are remarkable given the travails of the past year. Income is above pre-pandemic levels and savings are elevated due in part to a partially shuttered economy. Savings and rising real estate and equity values have driven consumer net worth up 10% since last year, likely rising to 20% after the ARP funds are distributed.

Government programs have proven successful as a stopgap, but a sustained expansion needs a better labor market. Notably, Wal-Mart and Amazon have raised wages and continued to hire. Yet our economy is still 10 million jobs short of pre-pandemic levels. There is progress though, job openings have begun to improve, reflecting the reopening of our service led economy.

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.

Congress Asset Management Co. Dividend Growth Composite 11/1/2010 - 12/31/2019

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P 500 Re- turn % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P 500 3-Yr annualized ex-post St Dev (%)	Number of Portfolios	Gross Disper- sion %	Total Com- posite Assets End of Period (\$ millions)	Total Firm Discretionary Assets End of Period (\$ millions)	Total Firm Assets End of Period # (\$ millions)
2019	33.7	33.2	31.5	11.1	11.9	394	0.86	205	8,445	12,528
2018	-0.9	-1.2	-4.4	10.3	10.8	359	0.36	161	7,102	10,234
2017	19.7	19.3	21.8	9.7	9.9	321	0.64	157	7,272	10,546
2016	13.6	13.2	12.0	10.1	10.6	254	0.46	119	5,693	8,139
2015	-2.8	-3.2	1.4	10.3	10.5	174	0.38	81	5,941	7,094
2014	11.6	11.2	13.7	8.6	9.0	111	0.29	65	6,328	7,449
2013	29.3	28.8	32.4	10.7	11.9	60	0.39	44	6,489	7,467
2012	8.9	8.6	16.0	n/a	n/a	24	0.80	12	6,755	7,498
2011	8.3	7.9	2.1	n/a	n/a	6	n/a	2	6,329	7,014
10/31/10 – 12/31/10	6.7	6.7	6.7			≤5	n/a	0.1	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 Dividend Growth Composite was created on November 1, 2010. This inception date reflects the first full month an account was fully invested in the strategy and met the inclusion criteria. The composite includes all fully discretionary accounts with a value over \$100 thousand (US dollars) managed in the dividend growth style for a minimum of one full month. The dividend growth strategy invests in the equity of high quality companies with market capitalizations greater than \$1 billion exhibiting consistent dividend growth. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016 the composite minimum was \$50 thousand (US dollars). The primary composite benchmark is the S&P 500. Effective January 1, 2012 the Dividend Growth benchmark was changed retroactively from the S&P 500 Dividend Aristocrats and the Dow Jones U.S. Select Dividend indices to the S&P 500 index in order to better reflect the portfolio's broad equity strategy tailored to generate income for clients. Prior to January 1, 2012 the S&P 500 Dividend Aristocrats was the stated primary benchmark and the Dow Jones U.S. Select Dividend was the stated secondary benchmark. The performance of the S&P 500 Dividend Aristocrats and the Dow Jones U.S. Select Dividend indices is available upon request. 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.

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. 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 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. Presenting the three-year annualized ex-post standard deviation is not required for periods prior to 2011. It is not presented for 2011 and 2012 because 36-month returns were not available.

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.