CONGRESS ASSET MANAGEMENT COMPANY

1Q 2021

SMid Growth Portfolio

Portfolio Commentary

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.

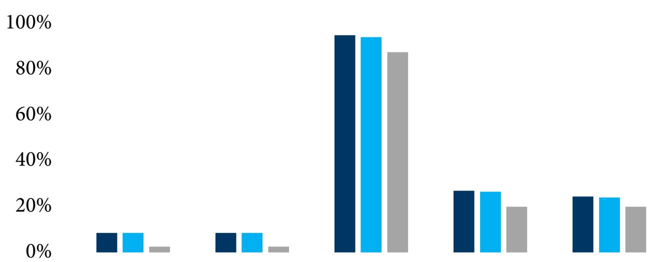
Portfolio repositioning impacts were felt in the commodities markets as well with energy products and copper notably rising. Bitcoin and "meme" driven, relatively illiquid stocks, have captured traders' imaginations but longer term present more risk than reward for the average investor.

Performance Overview

The Congress SMid Growth Portfolio ("the Portfolio") returned 8.61% gross of fees during the quarter, while the Russell 2500 Growth Index returned 2.49%.

The Portfolio benefited from security selection in Health Care, Industrials, Information Technology, Consumer Discretionary, and Financials. However, security selection in Communication Services detracted from relative performance during the quarter.

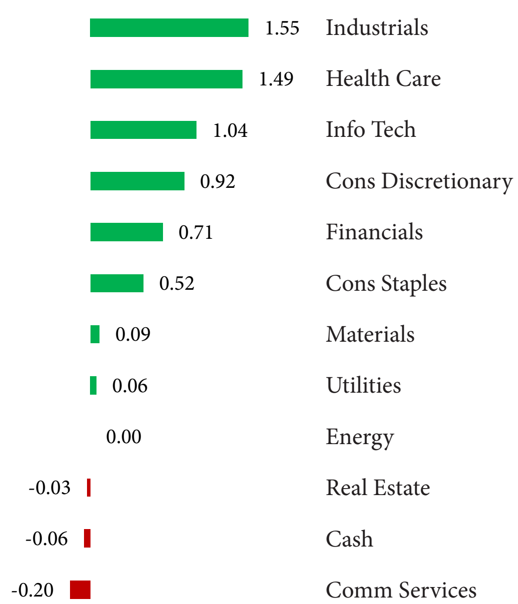
% Average Annual Returns as of 3/31/2021



	QTD	YTD	1 Yr	3 Yrs	Inception (4/1/2017)
SMid Growth (Gross)	8.6	8.6	94.9	27.0	24.5
SMid Growth (Net)	8.5	8.5	94.1	26.5	24.0
Russell 2500 Growth *	2.5	2.5	87.5	20.0	20.0

Performance is preliminary and subject to change at any time

% Total Effect Portfolio vs. Index[1] 12/31/2020 - 3/31/2021



Information is as of 3/31/2021. Sources: Congress Asset Management, Factset, Russell Investments and Informa Investment Solutions. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings and sector weightings 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. 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. **This information is supplemental to the GIPS Composite Report.** Performance returns of less than one year are not annualized. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or underlying data contained in this communication. No further distribution of Russell data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication. [1]The information shown is for a representative account as of 3/31/2021. Actual client account holdings and sector allocations may vary.

1Q 2021 Attribution Highlights

Overall Contributors

- Security selection in Health Care, Industrials, Information Technology, Consumer Discretionary & Financials

Overall Detractors

- Security selection in Communication Services

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight%	Contribution%
Williams-Sonoma, Inc.	2.71	1.60
Generac Holdings, Inc.	4.11	1.42
Horizon Therapeutics Plc	2.79	0.66
CDW Corp.	2.67	0.63
LPL Financial Holdings, Inc.	1.95	0.62

Williams-Sonoma, Inc. (WSM) is a consumer retail company that sells home products through its online platform and retail stores. WSM continues to benefit from a combination of housing tailwinds, operational initiatives, and its ability to successfully manage supply chain challenges. WSM reported very strong fourth quarter results with same store sales momentum across all its brands and significant operating margin expansion. Financial guidance provided for fiscal year 2021 was also significantly ahead of expectations.

Generac Holdings, Inc. (GNRC) is a leading global designer and manufacturer of a wide range of power generation equipment. GNRC reported excellent fourth quarter results and provided fiscal year 2021 guidance that exceeded expectations. Generac continues to benefit from the increased awareness and adoption of home standby generators resulting from a combination of utility shutoffs and an active hurricane season. The company is also showing growth in shipments of its PWRcell energy storage system.

Horizon Therapeutics Plc (HZNP) is a specialty pharmaceutical company that produces medicines used to treat rare and rheumatic diseases. HZNP reported a solid fiscal fourth quarter with positive results across product lines and initiated fiscal year 2021 guidance that exceeded expectations. The market also gained confidence that the Tepezza production disruption that occurred at the end of 2020 will be resolved in the second quarter of this year.

CDW Corp. (CDW) purchases products from original equipment manufacturers (OEMs) and wholesalers for resale to its more than 250,000 end customers. CDW is outpacing peers largely due to its exposure to the education market where demand for laptops has been robust and the government market where its technology supported the US Census Bureau in completing the most recent census. Going forward, CDW believes it can continue to outgrow the information technology market by 2-3%. The company sees the next leg of growth coming from the recovery of its corporate end market which saw demand dampened by the pandemic.

LPL Financial Holdings, Inc. (LPLA) is the nation's largest independent broker-dealer. LPLA serves independent financial advisors and financial institutions, providing them with technology, research, clearing, and compliance services. LPLA reported strong organic growth in the quarter as the company continues to benefit from the independent advisory channel's growing market share. The stock's strength can also be partially attributed to the rising interest rate environment and an increased level of market interest in financial stocks.

Detractors

Stock	Avg. Weight%	Detraction%
Paycom Software, Inc.	2.52	-0.54
CyberArk Software Ltd.	2.05	-0.46
Masimo Corporation	2.56	-0.39
MarketAxess Holdings, Inc.	2.40	-0.33
Take-Two Interactive Software, Inc.	1.62	-0.28

Paycom Software, Inc. (PAYC) provides cloud-based human capital and payroll management solutions. While underlying demand and deal activity continue to be robust, the negative impact on revenue growth from unemployment has persisted. In addition, PAYC has been caught up in the market's rotation away from expensive tech names that outperformed in 2020.

CyberArk Software Ltd. (CYBR) is a leading provider of cyber security software primarily in the area of privileged access management. Recent results show that the company's transition to a subscription model is gaining traction with over 40% growth in annual recurring revenue (ARR). This growth brings with it the price tag of higher investment in research and development to build out the company's SaaS offering, however.

Masimo Corporation (MASI) is the market-leading provider of pulse oximetry equipment to hospitals. Overall, the company reported better than expected quarterly results with product revenue up 19%. Gross margin, however, decelerated for the second consecutive quarter due to a shift in product mix. Management expects this mix to reverse gradually as it is dependent upon a recovery in elective procedures.

MarketAxess Holdings, Inc. (MKTX) is a financial technology company focused on the global fixed income marketplace. The company reported excellent fourth quarter results due to the continued adoption of electronic fixed income trading and new products. MKTX is taking market share in both the investment grade and high yield markets. The stock's underperformance can be attributed to modest concerns about the rate of 2021 operating expense growth and the broader market pressure on high multiple stocks.

Take-Two Interactive Software, Inc. (TTWO) is a leading developer and publisher of interactive video, computer, and mobile games. Engagement levels are expected to come down as vaccines roll out and year over year comps become tougher, while valuations remain at a premium to peers. Management is also suggesting that this will be the second consecutive year without a significant game launch.

1Q 2021 Transaction Summary

Sector Allocation Changes

- Increase in Industrials & Financials
- Decrease in Information Technology

Purchased

Timken Company (TKR) - Industrials

Glacier Bancorp, Inc. (GBCI) - Financials

Exponent, Inc. (EXPO) - Industrials

Cooper Companies, Inc. (COO) - Health Care

Sold

Synopsys, Inc. (SNPS) - Information Technology

Quidel Corporation (QDEL) - Health Care

Jack Henry & Associates, Inc. (JKHY) - Information Technology

Qualys, Inc. (QLYS) - Information Technology

Purchased

Timken Company (TKR) designs and manufactures engineered bearings and mechanical power transmission products for end-markets including renewables, auto, aerospace, and rail, amongst others. After suffering pandemic induced depressed sales in 2020, TKR now stands to benefit from a recovery in the industrial economy. Over the last several years management has implemented initiatives to reposition its portfolio of products toward secular growth trends in renewable power and higher margin aftermarket sales.

Glacier Bancorp, Inc. (GBCI) offers a wide range of banking products and services including retail banking, business banking, real estate and commercial loans, and mortgage origination. GBCI operates approximately 200 locations in the states of Montana, Idaho, Utah, Washington, Wyoming, Colorado, Arizona, and Nevada. GBCI has shown strong loan growth and credit performance has been solid despite the pandemic. Net interest margin has been a pressure point, but the recent rise in interest rates should ease this pressure moving forward. GBCI is forecasting 4-5% organic growth in 2021 as the economies in its footprint are vibrant.

Exponent, Inc. (EXPO) is a science and engineering consulting firm that helps industry and government navigate litigation, regulations, design creation, and integrity management. This is a high-quality company with excellent financial metrics that stands to benefit from society's narrowed focus on safety, health, and sustainability in an increasingly complex business world. EXPO's revenue and earnings power has also historically proven to be steady throughout the business cycle.

Cooper Companies, Inc. (COO) is a global medical device company that operates through two business units, Cooper Vision and Cooper Surgical. The company provides products and services which promote vision care and women's health. Cooper's business has been negatively impacted by COVID-19 as optometrist offices have been closed. However, as offices reopen, COO should benefit from recent market share gains and new product offerings. COO is seeing encouraging early signs with its MiSight product, a 1-day contact lens for children that is FDA approved to slow the progression of myopia.

Sold

Synopsys, Inc. (SNPS) offers software and consulting for the electronic design automation industry. The company provides intellectual property for pre-designed circuits and software/hardware that's used to develop the electronic systems that incorporate chips and the software that runs on the circuits. SNPS' IP and System Integration segment posted strong growth fueled by the hardware end market in the most recent quarter. Additionally, the Software Integrity segment is showing better growth due to improved consulting capabilities and changes to its go-to-market strategy. These recent results increased the company's market capitalization above the Portfolio's limits, triggering a sale.

Quidel Corporation (QDEL) provides a broad portfolio of rapid diagnostic testing solutions to decentralized care providers. QDL's 2020 results were bolstered by unprecedented demand for its Sofia rapid antigen test which was used to detect COVID-19 infections. Management had to walk back previous guidance for 2021 as this demand has declined due to lower infection rates and vaccination efforts. Expectations for the company are likely to come down and newer products will not have an impact until 2022.

Jack Henry & Associates, Inc. (JKHY) provides technology and payment processing solutions for financial services organizations such as banks and credit unions. Recent results have been muddied by deconversion fees, which indicate that JKHY has lost customers to competing firms. The company's earnings have remained resilient, but this is due to lower travel and other operating expenses that are likely to return when the economy reopens. Additionally, results in JKHY's high margin core replacement business have been weak, and the outlook is uncertain due to the ongoing pandemic.

Qualys, Inc. (QLYS) provides cloud security and compliance solutions, specifically a SaaS-based solution that focuses on Vulnerability Management and Detection/Response (VMDR). While the company was the original cloud VMDR provider, competition from providers like Rapid7 and Tenable has increased and recent results and company guidance imply that QLYS is losing market share. To combat this, the company is increasing its sales and marketing spend. This strategy will take time to deliver results and will pressure QLYS' margins.

Positioning

Portfolio investments are predicated on a company's future prospects rather than economic or market cycles. We seek companies with strong fundamentals, emphasizing earnings growth consistency, free cash flow and solid balance sheet metrics. There were four purchases and four sales in the Portfolio during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Industrials and Financials sector weightings while reducing the Information Technology weighting.

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.

Sources: Congress Asset Management (CAM) Russell Investments and Factset.
The views expressed in this document are as of publication date and are subject to change at any time due to changes in market or economic conditions.

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. SMid Growth Composite 4/1/2017 - 12/31/2019

Year	Total Return Gross of Fees%	Total Return Net of Fees%	Russell 2500 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2500 Growth 3-Yr annualized ex-post 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	28.7	28.2	32.7	n/a	n/a	14	n/a	37	8,445	12,528
2018	1.3	0.9	-7.5	n/a	n/a	≤5	n/a	27	7,102	10,234
3/31/17–12/31/17	12.8	12.5	17.1	n/a	n/a	≤5	n/a	35	7,272	10,546

#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 SMid Growth Composite was created on April 1, 2017. 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 SMid growth style for a minimum of one full month. The SMid growth strategy invests in the equity of high quality companies with market capitalizations between $300 million and $20 billion (at the time of purchase) exhibiting consistent earnings growth. Accounts with wrap commissions are excluded from the composite. The primary composite benchmark is the Russell 2500 Growth. The benchmark returns are not covered by the report of the 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. The composite is valued daily. 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. It is not presented because 36-month returns are 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.