CONGRESS ASSET
MANAGEMENT COMPANY

1Q 2022

Portfolio Commentary

Large Cap Growth

Market Review

We are entering a new economic era just two years after Covid began. Trends and practices espoused for decades such as globalization and lean manufacturing have lost their luster. Vestiges of the 1970's have returned to awaken dormant fears about energy prices and nuclear threats. Our digital economy is now facing analog threats - inflation, shortages, and war. The short-term effects are unnerving, but our economy retains momentum.

Investors are grappling with repercussions of an unjust war in Ukraine and an economy experiencing a rash of recent "high-water mark" readings in metrics long dismissed as fleeting, such as inflation and energy prices. This is not the 1970's, however. Our economy is more efficient and stronger. By and large, companies are better at adapting to new challenges. Entrepreneurship blossomed over the past two years. Still, the economic outlook is murkier than it was last year.

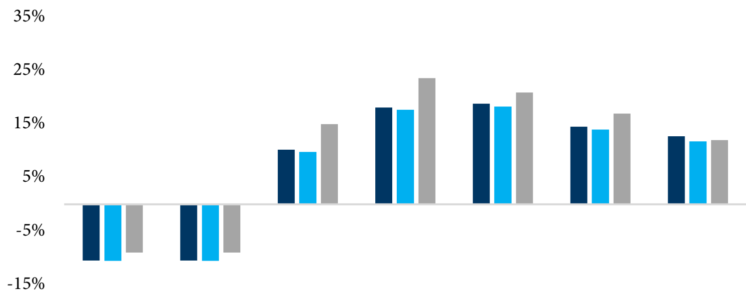
The uncertainty was reflected during the first quarter's price action for both stocks and bonds. The S&P 500 gyrated throughout the quarter, rallying in late March to close down over 4% for the period. Interest rates as measured by the U.S. Treasury 10–year note rose to 2.4%, driving bond prices down.

Performance Overview

The Congress Large Cap Growth Portfolio ("The Portfolio") returned -10.5% (gross of fees) during the first quarter, while the Russell 1000 Growth Index ("The Index") returned -9.0%.

The Portfolio benefited from an overweight relative allocation to Energy and an underweight allocation and security selection in Communication Services. Security selection in Materials also aided performance during the quarter. However, security selection in Information Technology, Health Care, Consumer Discretionary, and Industrials detracted from performance.

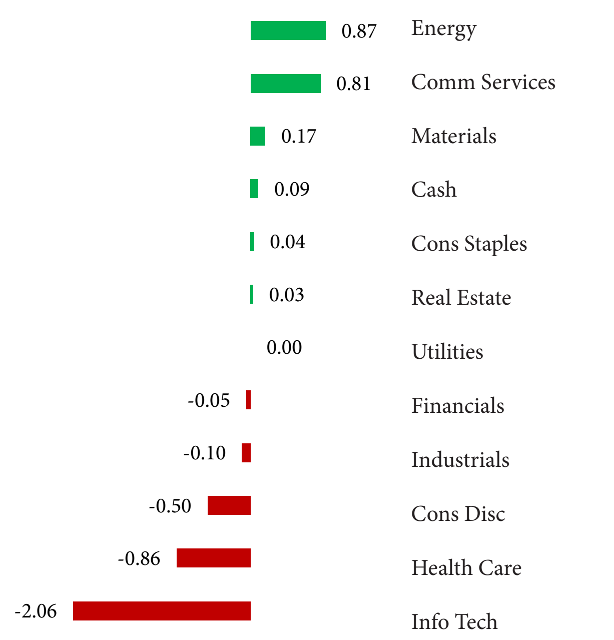
Average Annualized Performance % as of 3/31/2022



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Large Cap Growth (Gross)	-10.5	-10.5	10.2	18.1	18.8	14.5	12.7
Large Cap Growth (Net)	-10.6	-10.6	9.8	17.7	18.3	14.0	11.8
Russell 1000 Growth©	-9.0	-9.0	15.0	23.6	20.9	17.0	12.0

Performance is preliminary and subject to change at any time

% Total Effect Portfolio[1] vs. Index (12/31/2021 - 3/31/2022)



1Q 2022 Attribution Highlights

Overall Contributors

- Overweight allocation to Energy
- Underweight allocation to Communication Services
- Security selection in Materials & Communication Services

Overall Detractors

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

Top 5 Contributors

Stock	Avg. Weight%	Contribution%
Pioneer Natural Resources Co.	2.87	0.85
Freeport-McMoRan, Inc.	2.22	0.36
S&P Global, Inc.	0.99	0.23
Caterpillar, Inc.	2.34	0.18
ServiceNow, Inc.	2.32	0.15

Pioneer Natural Resources Co. (PXD) is an independent oil and gas exploration and production company. The company reported better than expected results due to solid production rates. In addition, the board of directors increased the quarterly dividend by 25% and plans to pay a variable dividend in the first quarter, thereby returning 75% of the fourth quarter's free cash flow to shareholders.

Freeport McMoRan, Inc. (FCX) is one of the world's largest producers of copper and a major producer of gold and molybdenum. The company is benefitting from strong demand, limited supply, and the broader inflationary environment. It also announced a variable dividend that would double the annual payout in 2022, along with a $3B stock repurchase plan.

S&P Global, Inc. (SPGI) is a collection of four businesses that include one of the two key rating agencies, a top index platform, a small but growing desktop provider to financial markets, and Platts, a leading provider of information and benchmark prices for the commodities market. Following the completion of the merger with IHS Market, SPGI provided a better-than-expected outlook that included EBITA margin expansion, meaningful share repurchases, and high single-digit organic growth.

Caterpillar, Inc. (CAT) is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives. The company's quarterly results were mixed as strong sales were met with disappointing margins. The stock's outperformance coincided with the onset of the Russia/Ukraine war and the rise in commodity prices later in the quarter. The rise in oil prices will benefit CAT's energy customer base, while its agriculture and mining customers will need to invest to increase production outside of the war-torn region.

ServiceNow, Inc. (NOW) provides automated workflows for repeatable tasks to help customers save time and money and improve the client experience. The company reported excellent subscription revenue growth. In addition, new deals with transaction sizes over $1 million in net new annual contract revenue rose over 50%.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%	Detraction%
PayPal Holdings, Inc.	1.82	-0.93
Home Depot, Inc.	2.60	-0.80
Intuit, Inc.	2.65	-0.77
Thermo Fisher Scientific, Inc.	2.02	-0.76
Zoetis, Inc. Class A	2.88	-0.72

PayPal Holdings, Inc. (PYPL) is an online payment platform that enables digital and mobile payments on behalf of consumers and merchants worldwide. Disappointing earnings guidance, increased headwinds, and a shift in strategy negatively impacted the stock's performance.

Home Depot, Inc. (HD) is the world's largest home improvement specialty retailer. While housing demand remains strong, the stock reflected concerns regarding the impact of inflation and rising interest rates on consumers. Consumer Discretionary was also the worst-performing sector, with many housing-related stocks significantly underperforming.

Intuit, Inc. (INTU) is the market leader in consumer and professional tax software as well as small business accounting software. Global products and platforms include QuickBooks, TurboTax, Mint, and others which are designed to help customers run their small businesses, pay employees, send invoices, separate business and personal expenses, track spending, and file income taxes. The stock was negatively impacted by the shift in tax season revenues to later in the year and the lack of flow through to the company's full-year guidance after it issued strong guidance for its upcoming quarter.

Thermo Fisher Scientific, Inc. (TMO) provides analytical instruments, equipment, reagents and consumables, software and services for research, analysis, discovery, and diagnostics. TMO is one of the largest and most diversified participants in the life sciences industry. The company has benefitted from the pandemic with its PCR testing platform as well as the development of vaccines and therapies. The weakness in the stock reflects concerns that organic growth will decelerate as the pandemic wanes. As a result, the stock was sold from the Portfolio.

Zoetis, Inc. (ZTS) sells anti-infectives, vaccines, diagnostics, and other health care products for animals. ZTS generates most of its revenue from production animals (cattle, pigs, poultry, etc.) but also sells companion animal products (i.e., dogs, horses, cats). The stock, along with other high multiple names, underperformed in the quarter. However, as the largest producer of pet medicine, ZTS is well-positioned to benefit from the increasing number of household pets worldwide.

1Q 2022 Transaction Summary

Sector Allocation Changes

- Increase in Consumer Staples
- Decrease in Communication Services

Purchased

- ServiceNow, Inc. (NOW) - Information Technology
- PepsiCo, Inc. (PEP) - Consumer Staples
- O'Reilly Automotive, Inc. (ORLY) - Consumer Discretionary
- Eli Lilly and Co. (LLY) - Health Care

Sold

- Dollar General Corp. (DG) - Consumer Discretionary
- Meta Platforms, Inc. Class A (FB) - Communication Services
- Thermo Fisher Scientific, Inc. (TMO) - Health Care
- ANSYS, Inc. (ANSS) - Information Technology

Purchased

ServiceNow, Inc. (NOW) provides automated workflows for repeatable tasks to help customers save time and money and improve the client experience. Over the last several years, NOW has expanded its product portfolio and evolved into a platform company that can automate workflow processes across numerous segments of the enterprise including IT, human resources, legal, facilities, field services, finance, and customer service. The company is well-positioned to reach its goal of annual revenue growth of over 20% and annual margin expansion of over 100 basis points driven by continued innovation and fragmented competition.

PepsiCo, Inc. (PEP) engages in the manufacture, marketing, distribution, and sale of beverages, food, and snacks. The company has been optimizing its manufacturing footprint, simplifying its organizational structure, and reengineering its go-to-market strategies. Under the current CEO, PEP has stepped up those efforts as well as focusing on higher growth and margin areas through M&A and increasing brand investment. This has resulted in strong organic growth trends.

O'Reilly Automotive, Inc. (ORLY) owns and operates retail outlets in the U.S. as well as engaging in the distribution and retailing of automotive aftermarket parts, tools, supplies, equipment, and accessories. The company's strategy has been one of premium pricing along with best-in-class parts availability and exceptional service. In addition, ORLY continues to take advantage of the fact that independent auto part retailers have experienced greater supply chain disruption.

Eli Lilly and Company (LLY) is the 8th largest drugmaker (by revenue) in the world and the leading developer of drugs in various therapeutic areas including endocrinology, cardiovascular, immunology, neuroscience, and oncology. The company has a diversified portfolio of solid brands (particularly in diabetes) with a solid focus on new product innovation. LLY's presence in emerging markets should grow due to increasing demand for pharmaceuticals from an expanding global middle-class that is steadily gaining access to advanced health care.

Sold

Dollar General Corporation (DG) is a general merchandise retailer offering consumables, seasonal items, home products, and apparel. Despite having done a good job of executing its strategies, DG's customer base is levered to the lower-income consumer. This cohort may be negatively impacted from rising inflation which could potentially reduce their discretionary spending. Further, as a lower-cost retailer, DG could be more challenged to push through the higher costs it's facing given the greater price sensitivity of its customer base. These added risks more than offset the potential upside of DG's internal initiatives.

Meta Platforms, Inc. Class A (FB) is a social networking company with over 2 billion monthly active users, making it one of the biggest social networking sites. The company's Facebook, Instagram, WhatsApp, and Messenger apps are among the world's most widely used. However, FB faces several headwinds including increased competition from TikTok, a shift in engagement within its app towards video such as Reels (which monetizes at lower rates), increasing ad targeting and platforms/regulatory changes, and cost inflation and supply chain disruptions that are impacting advertisers' budgets.

Thermo Fisher Scientific, Inc. (TMO) provides analytical instruments, equipment, reagents and consumables, software, and services for research, analysis, discovery, and diagnostics. TMO is one of the largest and most diversified participants in the life sciences industry. The company has benefitted from the pandemic with its PCR testing platform as well as the development of vaccines and therapies. Organic growth will likely decelerate as the pandemic wanes.

ANSYS, Inc. (ANSS) is an engineering simulation software company that services engineers, designers, researchers, and students across a broad spectrum of industries. Over the last several quarters, margins have steadily declined, and organic ACV (annual contract value) growth has been below-market growth as the co. faces increased competition. To meet its ACV goal, management will likely need to invest in more acquisitions going forward.

Positioning

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 Portfolio's Consumer Staples weighting and decreased its Communication Services weighting.

Outlook

Since 1998 and the Long-Term Capital Management hedge fund crisis, investors have become reliant on the Federal Reserve (Fed) to act aggressively to stabilize the markets. Then, the Fed obliged markets and employed quantitative easing for the first time in response to the Great Financial Crisis of 2008-2009. In that case, the Fed was successful in

Information is as of 3/31/2022

righting the ship, avoiding what could have been an outright depression.

The Fed's response to the onset of the pandemic in 2020 has largely been seen as successful. That recession, while very sharp, lasted less than two quarters. In hindsight, the Fed may have been too aggressive, or at a minimum did not react quickly enough when it was clear the economy was booming. Policy reversal is never an easy feat, as such timing and magnitude will be key components for the Fed going forward.

Inflationary pressures continue to rise on many fronts. Pandemic-induced supply constraints are not easing as much as hoped and have been further complicated by the war. Relief may be further delayed by China's staggered shut down of Shanghai, a city of 25 million people and a vital cog in global commerce. Employment costs continue to rise as a dearth of workers pressures employers of every stripe. Mortgage rates have risen to over 4.6%, making home ownership more expensive. Commodity prices have popped, led by oil and gas. Inflation now acts like a tax, forcing consumers to choose essentials over desires. Longer-term, inflation expectations can have a negative impact on psyche and sentiment.

Aside from inflation, Russia's attack on Ukraine is causing the world to reassess its priorities, with European nations threatened by proximity and trading ties. Europe had become reliant on Russia for much of its energy, importing vast amounts of natural gas out of expediency and to satisfy environmental goals. Regardless of the duration or outcome of Russia's war in Ukraine, Europe will need to shift its spending priorities. Spending on energy production and defense will increase. Europe's trading patterns will favor European and western allies that do not pose an existential threat to their existence.

The domestic impact of the Russian attack is far less stark. Russia's share of the global economy is about 3% and direct trade with the U.S. is inconsequential. Many U.S. companies ceased Russian activities early on. Instead, our most immediate financial challenges are domestic and revolve around inflation, interest rates, and consumer spending.

Inflation remains elevated, alarmingly so. Investors' confidence that the Fed can engineer a soft landing (a period of slower growth without a recession) while also lowering inflation, is being tested. The Fed has gradually become more "hawkish," forecasting more and larger hikes in the overnight lending rate. Yet, the Fed continued to purchase government bonds into March, expanding its balance sheet further and pumping even more cash into a strong economy. The Fed's current goal of damping inflation without causing a recession may be more difficult than the challenges offered by the pandemic or the Great Financial Crisis.

The Fed's forthcoming rate increases are unlikely to materially hinder domestic growth, at least in the intermediate term. The Omicron variant has passed for now and the shock of Russia's initial attacks on Ukraine has waned, restoring consumer confidence. Importantly, there are over 11 million job openings. As people return to the work force, they will find ample opportunities with good wages. Filling those jobs should help solidify growth, increase spending, and, perhaps, soften inflationary impacts.

The pandemic and related supply issues have laid bare the need for a renaissance in U.S. productive capacity. Supply chains need to shorten and inventory levels need to rise. While subtle, satisfying these needs will increase capital expenditures over the next few years. The housing market remains strong and the desire for hybrid work environments is forcing employers to upgrade technology systems and software.

Fortunately, funding for capital projects is ample and supportive of continued growth. Domestic commercial banks have $18 trillion in deposits, a record high, much of it available to loan. The corporate bond market is also vibrant, indicating companies' willingness to invest and investors' willingness to lend.

The economy can withstand the Fed's proposed rate hikes. How successful the Fed will be in containing inflation remains unknown. The deleterious effects of inflation compound over time and can weaken an economy's foundation to its core. By adopting a more aggressive tone, the Fed is implicitly acknowledging this risk.

In spite of the challenges, corporate earnings should increase about 10% in 2022. While not advancing at the heady pace of 2021, it should be enough to support stocks as the year progresses. Bonds offer more favorable yields than a year ago and provide a level of safety during these more uncertain times.

Congress Asset Management Co. Large Cap Growth Composite 1/1/2011 - 12/31/2020

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P 500 Return % (dividends reinvested)	Russell 1000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P 500 3-Yr annualized ex-post St Dev (%)	Russell 1000 Growth 3-Yr St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ milions)	Total Firm Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2020	28.0	27.5	18.4	38.5	17.3	18.5	19.6	150	1.27	258	10,746	5,523	16,269
2019	34.4	33.9	31.5	36.4	11.5	11.9	13.1	114	0.82	207	8,445	4,083	12,528
2018	2.5	2.1	-4.4	-1.5	10.5	10.8	12.1	80	0.30	136	7,102	3,132	10,234
2017	27.2	26.6	21.8	30.2	9.9	9.9	10.5	78	0.58	111	7,272	3,274	10,546
2016	5.6	5.1	12.0	7.1	10.7	10.6	11.2	81	0.43	98	5,693	2,445	8,139
2015	2.8	2.2	1.4	5.7	11.1	10.5	10.7	28	0.49	65	5,941	1,153	7,094
2014	10.1	9.5	13.7	13.1	10.1	9.0	9.6	30	0.47	89	6,328	1,121	7,449
2013	30.5	30.0	32.4	33.5	12.5	11.9	12.2	35	0.50	233	6,489	978	7,467
2012	11.9	11.5	16.0	15.3	15.2	15.1	15.7	39	0.40	302	6,755	743	7,498
2011	3.5	3.1	2.1	2.6	17.0	18.7	17.8	45	0.66	463	6,329	685	7,014

#The “Total Firm Assets” column 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 – 12/31/20. A firm that claims compliance with the GIPS standards must establish policies and procedure 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 Large Cap Growth Composite has had a performance examination for the periods 1/1/96 – 12/31/20. The verification and performance examination reports are available upon request.

Firm Information: Congress Asset Management Co. (CAM) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers 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 Large Cap Growth 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 portfolios with a value over $100 thousand (US dollars) managed in the large cap growth style for a minimum of one full month. The large cap growth strategy invests in the equity of high quality companies with market capitalizations greater than $5 billion exhibiting consistent earnings growth. The strategy may also invest from time to time in equity securities with capitalizations between $1 billion and $5 billion. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016 the composite minimum was $500 thousand (US dollars). Prior to September 1, 2005 the composite did not include taxable accounts, private client accounts, or accounts with less than $1 million. The primary composite benchmark is the S&P 500 Index. The secondary benchmark is the Russell 1000 Growth Index. 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 list of composite descriptions and a list of broad distribution pooled funds are available upon request.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars. 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 1/4th of the highest management fee in the Large Cap Growth Composite, which was 1.00%, applied quarterly. 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 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. Prior to January 1, 1993 the composite is not in compliance with GIPS.

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 investments, calculating performance and preparing GIPS Reports 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. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, not does it warrant the accuracy or quality of the content contained herein.