CONGRESS ASSET MANAGEMENT COMPANY

Portfolio Commentary

1Q 2022

Multi-Cap Growth Portfolio

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.

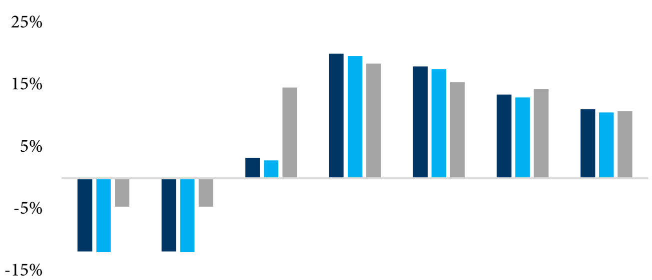
The uncertainty was reflected during the first quarter's price action for both stocks and bonds. The S&P 500 gyrated throughout the quarter, rallying in late March to close down over 4% for the period. Interest rates as measured by the U.S. Treasury 10–year note rose to 2.4%, driving bond prices down.

Performance Overview

The Congress Multi-Cap Growth Portfolio (the Portfolio) returned -11.8% (gross of fees) during the quarter, while the S&P 1500 Index ("the Index") returned -4.6%.

The holdings that contributed most to the quarterly returns were EOG Resources, Inc., Union Pacific Corporation, Deere & Company, HEICO Corporation, and Fair Isaac Corporation. The holdings that detracted most were InMode Ltd., Home Depot, Inc., Sherwin-Williams Company, Align Technology, Inc., and Pool Corporation.

Annualized Returns % as of 3/31/2022



		QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 7/1/2003
Multi-Cap Growth (Gross)	■	-11.8	-11.8	3.3	20.1	18.0	13.5	11.1
Multi-Cap Growth (Net)	■	-11.9	-11.9	2.9	19.7	17.6	13.0	10.6
S&P 1500	■	-4.6	-4.6	14.6	18.5	15.5	14.4	10.8

Performance is preliminary and subject to change at any time

Information is as of 3/31/2022. Sources: Congress Asset Management, FactSet, and Morningstar Direct. 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. Performance returns of less than one year are not annualized. [1]The information shown is for a representative account as of 3/31/2022. Actual client account holdings and sector allocations may vary. **This information is supplemental to the GIPS Report.**

First Quarter 2022 Highlights

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight%	Contribution%
EOG Resources, Inc.	1.42	0.37
Union Pacific Corporation	2.36	0.23
Deere & Company	1.32	0.20
HEICO Corporation	2.19	0.12
Fair Isaac Corporation	1.77	0.11

Detractors

Stock	Avg. Weight%	Detraction%
InMode Ltd.	2.06	-1.38
Home Depot, Inc.	2.41	-0.74
Sherwin-Williams Company	2.01	-0.70
Align Technology, Inc.	1.64	-0.69
Pool Corporation	2.30	-0.66

EOG Resources, Inc. (EOG) explores, develops, produces, and markets crude oil and natural gas primarily in major basins in the U.S., Trinidad and Tobago, China, and Canada. After closing out a strong 2021 in which it paid out two special dividends and doubled its regular dividend rate, 2022 began with a strong start. Aided by the swift rise in the price of oil after the Russian invasion of Ukraine, energy-producing stocks rallied.

Union Pacific Corporation (UNP) is a freight-hauling railroad operator. The company reported better than expected results driven by higher fuel surcharge revenue as well as its business mix. In addition, UNP benefitted from various contract wins and new partnerships.

Deere & Company (DE) is the world's largest maker of farm tractors and combines as well as a leading producer of construction equipment. Increased demand for agriculture equipment coupled with the company's ability to manage through the inflationary and supply chain headwinds fueled the stock's outperformance.

HEICO Corporation (HEI) manufactures FAA-approved jet engine and aircraft component replacement parts. The company is benefitting from the recovery in the aerospace market as COVID-19 restrictions are being relaxed and flights continue to increase.

Fair Isaac Corporation (FICO) provides products, solutions, and services that enable businesses to automate, improve, and connect decisions to enhance business performance. The company's software transformation is beginning to bear fruit as growth in annual recurring revenue has accelerated. In addition, the platform net retention rate remains at record levels.

InMode Ltd. (INMD) is a leading global medical aesthetics company. Its devices facilitate minimally invasive procedures using radio frequency (RF) technology. The company's proprietary RF technology enables various tissue remodeling applications throughout the body, providing additional revenue streams for physicians at a sustainable cost advantage versus laser-based alternatives. Despite reporting positive quarterly results and issuing better than expected guidance, the stock underperformed along with other high multiple names.

Home Depot, Inc. (HD) is the world's largest home improvement specialty retailer. While housing demand remains strong, there is increasing concern regarding the impact of inflation and rising interest rates on the consumer. Consumer Discretionary was the worst-performing sector during the quarter as many housing-related stocks significantly underperformed because of higher mortgage rates.

Sherwin-Williams Company (SHW) manufactures paint and coatings. Supply chain disruptions, rising cost inflation, and continued COVID-19 challenges have pressured margins over the short-term. However, the company continues to benefit from positive overall housing trends.

Align Technology, Inc. (ALGN) is a global medical device company that designs, manufactures, and markets Invisalign clear aligners and iTero intraoral scanners and services for orthodontics, restorative, and aesthetic dentistry. The company continues to be negatively impacted by the pandemic as China, a key market, remains in lockdown.

Pool Corporation (POOL) is the largest distributor of outdoor swimming pool supplies and services, in addition to products and services for backyard landscaping. POOL reported very strong fourth quarter results with 22% base business growth and operating margin expansion. Management also spoke to continued favorable drivers such as home investment trends, new pool construction, and its ability to pass through product inflation. However, the stock's performance was weak due to market concerns around stocks leveraged to the housing cycle and the potential impact of rising interest rates.

Information is as of 3/31/2022. 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, sectorweightings 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 Multi-Cap 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.

1Q 2022 Transaction Summary

Sector Allocation Changes

- Increase in Energy and Consumer Staples
- Decrease in Communication Services

Purchased

- Deere & Company (DE) - Industrials
- Goldman Sachs Group, Inc. (GS) - Financials
- ChampionX Corp. (CHX) - Energy
- Estee Lauder Companies, Inc. Class A (EL) - Consumer Staples

Sold

- First Republic Bank (FRC) - Financials
- L3Harris Technologies, Inc. (LHX) - Industrials
- Meta Platforms, Inc. Class A (FB) - Communication Services

Purchased

Deere & Company (DE) is the world's largest maker of farm tractors and combines as well as a leading producer of construction equipment. The company is benefitting from strong replacement demand for large agriculture equipment as the average fleet age continues to be extended, particularly in North America. DE possesses pricing power due to intense brand loyalty from its customers and its ability to consistently produce best-in-class agricultural equipment, leading to the largest installed base in the industry.

Goldman Sachs Group, Inc. (GS) is a leading global financial institution that delivers various financial services including investment banking, securities, investment management, and consumer banking to a large and diversified client base. As the market leader in equity capital markets and investment banking, GS is well-positioned to benefit from the overall growth rates in asset and wealth management as well as positive consumer banking trends.

ChampionX Corp. (CHX) is a global leader in chemistry solutions and highly engineered equipment and technologies that help companies drill for and produce oil and gas safely, efficiently, and sustainably around the world. It is one of the world's largest pure-play production services companies, which should result in a relatively stable earnings cycle. In addition, CHX's net debt/trailing 12 months EBITDA of around 1x should enable the company to generate solid free cash flow.

Estee Lauder Companies, Inc. Class A (EL) is one of the world's leading manufacturers and marketers of quality skin care, makeup, fragrances, and hair care products with brands including Estee Lauder, Clinique, Le Mer, Aveda, and MAC. Innovation has been a key growth driver as 25% of sales come from product innovation. In addition, expansion in higher growth and higher margin channels (online/retail travel retail/specialty retailers), geographies (China), and product categories (skin care and high-end fragrance) should result in share gains.

Sold

First Republic Bank (FRC) focuses on four high-growth urban coastal markets; San Francisco, New York, Los Angeles, and Boston. FRC's unique, high-growth model is fueled by its focus on relationship banking for affluent clients in these wealth-dense cities. The recent departures of the co-CEO (shortly after the other co-CEO took a medical leave of absence) and the COO raised concerns regarding the depth of the current management team.

L3Harris Technologies, Inc. (LHX) is a global aerospace and defense company that was established in 2019 through a merger of L3 Technologies and the Harris Corporation. The company offers a leading portfolio of differentiated technologies, mission-critical solutions, and capabilities that are closely aligned with key customer priorities in support of the National Defense Strategy. With the synergies from the L3/Harris merger essentially completed, the company does not appear to have a clear sight of meaningful margin expansion or EPS growth. In addition, despite the relative strength of LHX's positioning, a decelerating end market along with shorter-term headwinds will make it challenging for the company to generate mid-single-digit growth over the next couple of years.

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.

Positioning

Investments are predicated on a company's future prospects rather than economic or market cycles. We seek companies with strong fundamentals and emphasize earnings growth consistency, free cash flow, and solid balance sheet metrics. There were four purchases and three sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Energy and Consumer Staples weightings, while reducing 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 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

Information is as of 3/31/2022

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. Multi-Cap Growth Composite 1/1/2011 - 12/31/2020

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P Composite 1500 Return % (dividends reinvested)	S&P 500 Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P Composite 1500 3-Yr annualized ex-post St Dev (%)	S&P 500 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 Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($millions)
2020	39.6	39.1	17.9	18.4	20.7	18.9	18.5	30	0.81	324	10,746	5,523	16,269
2019	33.4	32.9	30.9	31.5	13.4	12.1	11.9	27	0.80	242	8,445	4,083	12,528
2018	-3.4	-3.8	-5.0	-4.4	12.4	11.0	10.8	23	0.32	187	7,102	3,132	10,234
2017	25.4	24.9	21.1	21.8	10.3	9.9	9.9	23	0.51	215	7,272	3,274	10,546
2016	0.5	0.1	13.0	12.0	11.4	10.7	10.6	6	n/a	131	5,693	2,445	8,139
2015	2.7	2.3	1.0	1.4	10.8	10.5	10.5	≤5	n/a	135	5,941	1,153	7,094
2014	7.0	6.6	13.1	13.7	10.4	9.1	9.0	≤5	n/a	134	6,328	1,121	7,449
2013	31.2	30.7	32.8	32.4	12.6	12.2	11.9	≤5	n/a	127	6,489	978	7,467
2012	15.9	15.5	16.2	16.0	16.7	15.4	15.1	≤5	n/a	100	6,755	743	7,498
2011	1.8	1.5	1.8	2.1	18.2	19.1	18.7	≤5	n/a	87	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. The verification reports(s) is/are available upon request. 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. Verification does not provide assurance on the accuracy of any specific performance report.

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 creation and inception date of the Multi-Cap Growth Composite is July 1, 2003, which reflects the first full month 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 multi cap growth style for a minimum of one full month. The multi-cap growth strategy invests in the equity of high quality companies with market capitalizations over $500 million exhibiting consistent earnings growth. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016 the composite minimum was $500 thousand (US dollars). The primary composite benchmark is the S&P Composite 1500 Index and the S&P 500 Index is a supplemental index. Effective April 1, 2021 the Multi-Cap Growth Composite benchmark was changed retroactively from the Russell 3000 Growth Index to the S&P Composite 1500 Index in order to better represent the investable universe. 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. The % of the composite represented by non-fee paying accounts at annual period end was 1% in 2008. 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 Multi-Cap Growth Composite, which was 0.63%, 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.

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.

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