CONGRESS ASSET MANAGEMENT COMPANY

1Q 2022

Portfolio Commentary

Small 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.

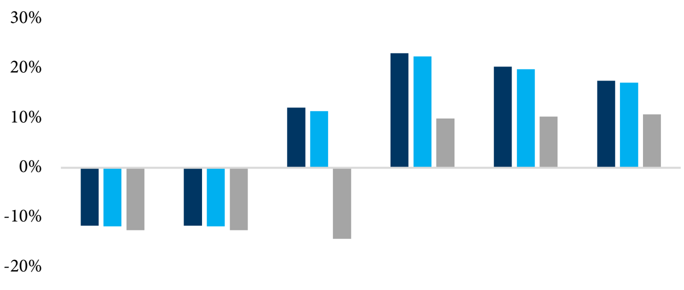
The uncertainty was reflected during the first quarter's price action for both stocks and bonds. The S&P 500 gyrated throughout the quarter, rallying in late March to close down over 4% for the period. Interest rates as measured by the U.S. Treasury 10–year note rose to 2.4%, driving bond prices down.

Performance Overview

The Small Cap Growth Portfolio ("the Portfolio") returned -11.7% (gross of fees) during the first quarter, while the Russell 2000 Growth Index ("The Index") returned -12.6%.

The Portfolio benefited from security selection in the Health Care and Information Technology sectors and a relative underweight to the Consumer Discretionary sector. However, security selection in Industrials, Consumer Discretionary, and Materials detracted from performance, as did a relative underweight allocation to Energy.

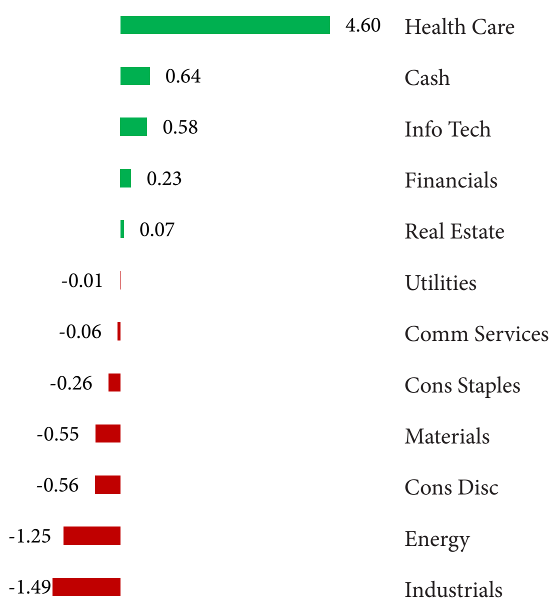
Average Annualized Performance % as of 3/31/2022



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	Inception 7/1/2013
Small Cap Growth (Gross)	-11.7	-11.7	12.1	23.0	20.3	17.5
Small Cap Growth (Net)	-11.8	-11.8	11.4	22.4	19.8	17.1
Russell 2000 Growth*	-12.6	-12.6	-14.3	9.9	10.3	10.7

Performance is preliminary and subject to change at any time

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



Information is as of 3/31/2022. 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 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 3/31/2022. Actual client account holdings and sector allocations may vary.

1Q 2022 Attribution Highlights

Overall Contributors

- Security selection in Health Care & Information Technology
- Underweight allocation to Consumer Discretionary

Overall Detractors

- Security selection in Industrials, Consumer Discretionary & Materials
- Underweight allocation to Energy

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight%	Contribution%
Lantheus Holdings, Inc.	4.12	3.81
Supernus Pharmaceuticals, Inc.	2.34	0.25
Avid Technology, Inc.	2.87	0.24
CONMED Corporation	2.27	0.16
Progyny, Inc.	2.43	0.14

Detractors

Stock	Avg. Weight%	Detraction%
Boot Barn Holdings, Inc.	4.54	-1.30
Vicor Corporation	1.97	-1.12
Skyline Champion Corp.	2.76	-0.89
Medpace Holdings, Inc.	3.08	-0.88
Cerence, Inc.	1.71	-0.87

Lantheus Holdings, Inc. (LNTH) is a leading provider of diagnostic medical imaging solutions focused on cardiac and cancer imaging. Growth benefited from the successful launch of PYLARIFY, a prostate cancer diagnostic imaging agent. Initial guidance for 2022 exceeded expectations as a result. Management also raised the total addressable market for PYLARIFY as it achieves better coverage and reimbursement rates than previously assumed.

Supernus Pharmaceuticals, Inc. (SUPN) is a specialty pharmaceuticals company, one of the few companies with an established drug portfolio specifically for Central Nervous System disorders such as epilepsy and migraines. In addition to internal development efforts, SUPN has diversified its portfolio through strategic acquisitions. Results were better than expected fueled by the newly launched Qelbree, a non-stimulant ADHD drug for children, and Gocovri, used for treating Parkinson's disease, with additional growth opportunities ahead for Qelbree as it awaits approval for use in the adult population.

Avid Technology, Inc. (AVID) is a leading developer of software and integrated solutions for video and audio content creation, management, and distribution. AVID products are used by media companies, enterprises, and individual creative professionals. Revenue continues to accelerate as adoption of its cloud-based solutions increase together with customer spending, particularly among large enterprises. A higher mix of software and subscriptions continue to be a tailwind to profitability.

CONMED Corp. (CNMD) provides surgical devices and equipment for minimally invasive procedures, primarily orthopedic and general surgeries. Results were better than expected despite the negative impact of the Omicron variant on elective procedure volumes. Management expects revenue growth to accelerate after the first quarter, propelled by improved procedural volumes as the pandemic subsides and new products launch.

Progyny, Inc. (PGNY) is a benefits manager specializing in carved out fertility benefits. PGNY's differentiated and data-driven approach is benefiting its members and resulting in improved patient outcomes. Results were weaker than expected, particularly in December and January, due to the Omicron variant. Management noted that utilization has returned to more typical levels starting in February, enabling PGNY to deliver greater than 50% revenue growth compared to 2021.

Boot Barn Holdings, Inc. (BOOT) is a differentiated retailer specializing in western lifestyle and work-related footwear and apparel. Despite same-store sales exhibiting continued resilience and acceleration, the stock underperformed after its strong 2021 showing. Profitability continues to be fueled by robust pricing and an increasing mix of private brands. Sales momentum is expected to continue due to market share gains, recovery in its oil and gas influenced regions, and a growing addressable market.

Vicor Corp. (VICR) designs and manufactures modular power components and complete power systems for high-performance applications in computing, industrial equipment and automation, communications and network infrastructure, and transportation. Sales have been impacted by supply chain challenges, component shortages and capacity constraints. The resulting costs and manufacturing inefficiencies have created margin headwinds. Bookings continue to be strong, resulting in a record backlog, and management is confident their new vertically integrated manufacturing facility will alleviate capacity constraints later in the year.

Skyline Champion Corp. (SKY) is a leading producer of factory-built housing. For years, demand for factory-built housing has grown, a result of cost and speed advantages versus traditional site-built homes together with improved financing. During the latter part of the quarter, the stock came under pressure due to concerns related to higher mortgage rates. However, the company should benefit from a high inflationary environment given its favorable cost position, historically low housing inventory, and a rapidly growing base of customers looking for affordable homes.

Medpace Holdings, Inc. (MEDP) is a contract research organization providing outsourced clinical development services to the biotech, pharma, and medical device industries. Despite strong quarterly results, management commentary regarding a weak funding environment for early-stage biotech firms along with increased wage inflation pressured on the stock. However, net new business wins continue to be solid, resulting in accelerating backlog trends.

Cerence, Inc. (CRNC) is a global leader in the rapidly growing auto virtual assistant market. CRNC enables touchless interaction between vehicles, drivers/passengers, and the broader digital world. Quarterly results were weaker than expected due to supply chain disruptions in the auto industry. The company lowered its fiscal year 2022 guidance and pulled its 2024 long-term framework as the new management team evaluates the outlook, with an expectation that bookings may to take longer to convert into revenue and several one-time license opportunities will not be realized this year.

1Q 2022 Transaction Summary

Sector Allocation Changes

- Decrease in Consumer Discretionary and Industrials
- Increase in Information Technology and Energy

Purchased

- Ultra Clean Holdings, Inc. (UCTT) - Information Technology
- Comfort Systems USA, Inc. (FIX) - Industrials
- Core Laboratories N.V. (CLB) - Energy
- Rada Electronic Industries Ltd. (RADA) - Industrials

Sold

- ESCO Technologies, Inc. (ESE) - Industrials
- 1-800-FLOWERS.COM, Inc. (FLWS) - Consumer Discretionary
- GrafTech International Ltd. (EAF) - Industrials
- Vectrus, Inc. (VEC) - Industrials

Purchased

Ultra Clean Holdings, Inc. (UCTT) designs and manufactures production tools and subsystems for the semiconductor equipment manufacturer, foundry, and display capital equipment markets. The semiconductor industry is in the midst of record-breaking capital investment driven by the rollout of 5G, new logic and memory architectures, artificial intelligence, cloud computing, and machine learning. In addition to the industry dynamic, UCTT also benefits from increased outsourcing opportunities from its customers due to the heightened demand environment.

Comfort Systems USA, Inc. (FIX) builds, installs, maintains, repairs, and replaces HVAC, electrical, and plumbing systems throughout the U.S. FIX's exposure to higher growth areas of non-residential construction has brought accelerating order growth, the result of an emphasis on energy efficiency and indoor air quality as well as elevated activity in the data center, pharma, semiconductor, and food processing end markets. Its highly fragmented industry provides a significant runway to acquire and scale while maintaining a strong balance sheet due to its robust cash flow profile.

Core Laboratories N.V. (CLB) is a leading provider of niche services and products to the oil and gas industry. Its Reservoir Description segment provides lab-based reservoir characterization services, leveraged to the recovery of international and offshore oil development. The Production Enhancement segment manufactures perforation charges which benefit from rising US fracking activity and new product launches. CLB's technology focus supports exceptional financials, including resilient profitability and cash flow through downturns as well as high incremental margins during upcycles.

Rada Electronic Industries Ltd. (RADA) develops defense electronics for tactical land radars, critical infrastructure applications, and military avionics for manned and unmanned aircraft. The increasing usage of advanced electronics in modern vehicles, including upgrades of existing technology and the growing use of unmanned vehicles of all kinds, have driven RADA's rapid growth. It's first-mover advantage within low size, weight, and power radars, position the company well as the U.S. government and its allies accelerate spending towards defense readiness.

Sold

ESCO Technologies, Inc. (ESE) is a multi-industrial that produces engineered products and systems from a portfolio of businesses for utility, industrial, aerospace, and commercial applications. Results continue to be negatively impacted by operational challenges and the timing of awards in its Aerospace and Defense segment. With these trends expected to continue over the coming quarters, driving incremental growth and profitability headwinds, the stock was removed from the Portfolio.

1-800-FLOWERS.COM, Inc. (FLWS) is an e-commerce company focused on gifting, including gourmet food and floral gifts for various occasions. Weaker than expected holiday performance due to the lack of availability of labor and supply chain issues significantly impacted results. Without visibility towards improvement in labor and freight challenges, the stock was removed from the Portfolio.

GrafTech International Ltd. (EAF) is a leading manufacturer of highly-engineered graphite electrodes that are used in electric arc furnaces for steel production. Growth continues to benefit from higher prices with healthy steel markets and an industry shift towards electric arc furnace production. However, the potential profitability of any new long term production contracts may be diminished as pricing improvement has slowed and input costs have risen. The stock was sold in favor of more attractive opportunities.

Vectrus, Inc. (VEC) is a leading operator of facilities, supply chains, and IT networks for the U.S. military and intelligence agencies. The company entered into a transformational merger with Vertex, a private company. While the businesses are complementary, detail around the acquired company and combined entity was inadequate to establish reasonable expectations. The merger significantly increases debt levels as well as exposure to long term fixed-price contracts introducing new execution risk in the event of cost-overruns.

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 during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Consumer Discretionary and Industrials weightings, while reducing its Information Technology and Energy weightings.

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

Information is as of 3/31/2022

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.
Small Cap Growth Composite
7/1/2013 - 12/31/2020

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 2000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2000 Growth 3-Yr annualized ex-post St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	% of composite represented by non fee paying accounts	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	35.8	35.3	34.6	23.8	25.1	206	1.64	84	<1%	10,746	5,523	16,269
2019	22.9	22.5	28.5	16.9	16.4	128	0.90	41	<1%	8,445	4,083	12,528
2018	2.1	1.7	-9.3	17.4	16.5	103	0.69	30	<1%	7,102	3,132	10,234
2017	22.4	22.0	22.2	14.8	14.6	69	0.62	25	<1%	7,272	3,274	10,546
2016	17.3	16.9	11.3	16.2	16.7	15	n/a	9	1%	5,693	2,445	8,139
2015	3.0	2.8	-1.4	n/a	n/a	≤5	n/a	1	n/a	5,941	1,153	7,094
2014	6.1	5.9	5.6	n/a	n/a	≤5	n/a	0.6	n/a	6,328	1,121	7,449
6/30/13 – 12/31/13	23.0	22.9	22.0	n/a	n/a	≤5	n/a	0.6	n/a	6,489	978	7,467

#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 Small Cap Growth Composite has had a performance examination for the periods 1/1/18 – 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 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 creation and inception date of the Small Cap Growth Composite is July 1, 2013, 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 small cap growth style for a minimum of one full month. The small cap growth strategy invests in the equity of high quality companies with market capitalizations between $300 million and $4 billion (at the time of purchase) exhibiting consistent earnings 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 Russell 2000 Growth Index. 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 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. 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 prior to 2016 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. The management fee schedule and expense ratio for the Small Cap Growth Fund Institutional Shares is 0.85% and 1.00%, respectively. The management fee schedule and expense ratio for the Small Cap Growth Fund Retail Shares is 0.85% and 1.25%, respectively.

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.