

Portfolio Commentary

Market Review

The U.S. is shaking off the COVID restraints. The domestic economy is roaring driven by pent up consumer demand, continued low interest rates, and government stimulus. Demand is outpacing supply stretching the economy at the seams and raising concerns that a supply shock could bring inflation. We are in the early stages of what is likely to be an extended economic expansion, one that is more robust and broader than recent expansions.

Financial and commodity markets largely reflected the heightened growth outlook. The S&P 500 returned approximately 8.5% in the second quarter and has increased more than 15% this year, driven more by industrial, financial, and materials companies than by technology companies. Many commodities prices continued this year's run, although they have come off the boil lately. Bonds rallied, relieving inflation concerns for now. The U.S. Treasury 10-year Note yield fell from 1.75% to near 1.50% at quarter end.

The end of pandemic induced restrictions is unleashing economic forces not seen since the end of World War II. Exuberance is palpable. People enjoy socializing without masks! Sporting events draw spectators and flights draw passengers. Rush hour and vacation traffic again snarl roadways.

There are at least three strong pillars supporting this expansion: a strong consumer, a long-delayed capex cycle, and government spending. The fiscal stimulus should not be discounted as it topped 15% of GDP in 2020 and should total over 10% in 2021. A further \$1.2 trillion is expected to

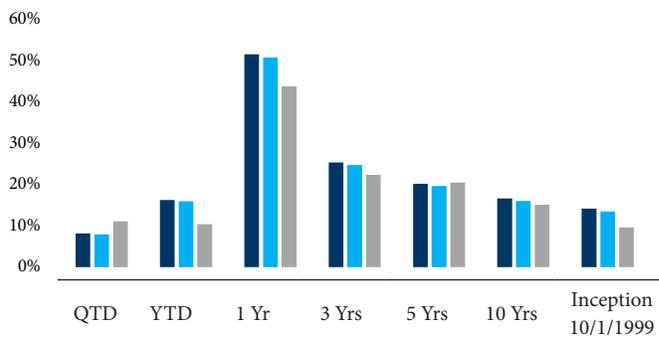
be approved this summer. Fiscal programs enacted during the pandemic largely worked to stabilize American workers and families. New programs will further enhance spending but seem to be motivated, at least in part, to meet political objectives.

Performance Overview

The Congress Mid Cap Growth Portfolio ("the Portfolio") returned 8.18% (gross of fees) during the 2nd Quarter, underperforming the Russell Midcap Growth Index ("the Index"), which returned 11.07%.

The Portfolio benefited from a lack of exposure to Materials and security selection in the Health Care sector. However, security selection in Information Technology, Consumer Discretionary, Communication Services, and Industrials as well as an overweight allocation to Consumer Discretionary detracted from performance.

Average Annualized Performance % as of 6/30/2021



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 10/1/1999
Mid Cap Growth (Gross)	8.2	16.3	51.6	25.4	20.2	16.7	14.2
Mid Cap Growth (Net)	8.0	16.0	50.8	24.8	19.7	16.1	13.5
Russell Midcap Growth*	11.1	10.4	43.8	22.4	20.5	15.1	9.7

Performance is preliminary and subject to change at any time

% Total Effect Portfolio vs. Index¹ (3/31/2021 - 6/30/2021)



Information is as of 6/30/2021. 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 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. ¹The information shown is for a representative account as of 6/30/2021. Actual client account holdings and sector allocations may vary.

Q2 2021 Attribution Highlights

Overall Contributors

- Underweight allocation to Materials
- Security selection in Health Care

Overall Detractors

- Security selection in Information Technology, Consumer Discretionary, Communication Services, and Industrials
- Overweight allocation to Consumer Discretionary

Top 5 Contributors

STOCK	AVG. WEIGHT%	CONTRIBUTION%
Fortinet, Inc.	3.00	0.79
Pool Corporation	2.75	0.79
Charles River Laboratories Intl., Inc.	3.01	0.73
Generac Holdings Inc.	2.65	0.70
West Pharmaceutical Services, Inc.	2.60	0.63

Bottom 5 Contributors/Detractors

STOCK	AVG. WEIGHT%	DETRACTION%
Williams-Sonoma, Inc.	3.05	-0.37
Asbury Automotive Group, Inc.	2.44	-0.34
Brooks Automation, Inc.	1.81	-0.19
Qualys, Inc.	1.49	-0.06
Masco Corporation	2.44	-0.04

Fortinet, Inc. (FTNT) is the market leader in unified threat management (UTM). The company provides network security solutions and a single source for threat management for most of the Fortune 100. First quarter 2021 billings growth accelerated to 27% versus guidance of 16%. This should help alleviate fears that preferences were shifting to fully cloud-based solutions.

Pool Corporation (POOL) is the largest distributor of outdoor swimming pool supplies and services, in addition to products and services for backyard landscaping. POOL has posted stellar financial results as consumers continue to invest in new and existing outdoor spaces. The company has executed operationally, maintaining superior in-stock levels at a time when supply chains are challenged.

Charles River Laboratories International, Inc. (CRL) researches and develops new drugs, serving biotechnology and pharmaceutical companies as well as hospitals and universities throughout the world. CRL reported 13% organic growth during its fiscal first quarter with 170 bps of operating margin expansion and subsequently raised fiscal year guidance for all key metrics. Charles River is also forecasting at least three more years of strong industry and company growth.

Generac Holdings, Inc. (GNRC) is a leading global designer and manufacturer of a wide range of power generation equipment. Generac's Residential segment benefitted meaningfully from the Texas power outages that occurred earlier this year. This compounded already strong backlog trends seen throughout the pandemic. Commentary suggests this should continue to benefit growth and margins, which are already operating above the company's long-term model.

West Pharmaceutical Services, Inc. (WST) is a leading manufacturer of containment and delivery systems for injectable drugs and other healthcare products. The first quarter saw a continuation of favorable drivers as it experienced 31% organic growth, mainly supplied by strength in its base business and products associated with COVID-19. Looking forward, WST raised fiscal year guidance for organic growth and EPS and spoke to increased future visibility as COVID boosters may create greater additional demand for small vial products and pre-filled syringes.

Williams Sonoma, Inc. (WSM) is a consumer retail company that sells home and kitchenware products through its online platform and retail stores globally. Williams Sonoma reported a very strong first quarter with same store sales exceeding 40% and significant operating margin expansion. The stock's relative weakness may be due to concerns surrounding the sustainability of favorable housing trends and a beneficial promotional environment. WSM has consistently referenced supply chain challenges and its ability to successfully navigate through them.

Asbury Automotive Group, Inc. (ABG) is one of the largest automotive retailers in the United States. ABG stock declined in the quarter as investors worried about the sustainability of very strong pricing trends in both new and used cars and volume challenges due to a general shortage of automobile inventory. The longer-term impact of the proliferation of electric vehicles and concerns regarding the potential disruption to auto dealers' profit streams from its parts and service business also appears to have weighed on the company's share price.

Brooks Automation, Inc. (BRKS) is a leading provider of automation solutions for semiconductor manufacturing and sample-based services and solutions for the life sciences industry. In conjunction with their recent quarterly earnings release, management announced their intention to split the Semiconductor and Life Sciences businesses into two separate publicly traded companies. Strong results and the corporate action did little to insulate the stock from valuation concerns.

Qualys, Inc. (QLYS) is a leader in the fragmented cyber vulnerability management market. It offers a cloud-oriented platform of integrated solutions that automate the lifecycle of asset discovery, security assessments, and compliance management for an organization's IT infrastructure. Revenue growth and margin expansion were encouraging - above what management had expected. However, billings growth was still light and new management must prove they can return the company to a consistent growth trajectory.

Masco Corporation (MAS) is a global leader in the design, manufacture, and distribution of branded home improvement and building products in two segments: Plumbing Products and Decorative Architectural Products. First quarter results were highlighted by volume upside on the back of continued positive home renovation and remodel trends. However, inflation and recent housing data suggesting the hot housing market may be peaking concerned investors.

2Q 2021 Transaction Summary

Sector Allocation Changes

- None

Purchased

- Brooks Automation, Inc. (BRKS) - Information Technology

Sold

- Synopsis, Inc. (SNPS) - Information Technology

Purchased

Brooks Automation, Inc. (BRKS) is a leading provider of automation solutions for semiconductor manufacturing and sample-based services and solutions for the life sciences industry. Broadly applied in semiconductor manufacturing, BRKS's precision handling systems are used throughout processes and across semiconductor types, positioning the company to benefit from increasingly complex manufacturing processes. The Life Sciences business adds diversity and stability to the company's growth profile, highlighted by meaningful opportunities within sample management in the developing market for biologic drugs.

Sold

Synopsis, Inc. (SNPS) is a leader in the electronic design automation (EDA) industry. The stock was sold after it exceeded the Portfolio's market cap guideline of a \$40 billion maximum.

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 was one purchase and one sale in the Portfolio during the quarter, and this is reflective of this philosophy.

Outlook

Consumers remain the primary economic force spending about 19% more in May than a year ago. Consumers' willingness to spend is matched by ability and confidence. Compensation was up close to 10% from last year and consumer net worth is at a record high.

Sales are likely held back by supply constraints. Manufacturers are struggling to produce enough product to satiate demand. The entire supply chain is challenged, exhibited by the well-publicized semi-conductor shortage. Goldman Sachs estimates that the semi-conductor shortage affects 169 industries ranging from automobiles to kitchen appliances and electronic devices, but the problem is far larger than one component. The U.S. does not have enough willing workers. From truck drivers to waitstaff, capacity is limited by worker availability.

In this regard, some readings of the work force are misleading. The unemployment rate remains elevated and employment stands about 7 million below pre-pandemic levels. However, the Bureau of Economic Activity's April report was full of positive readings including a record 9 million jobs available. Close to 4 million people voluntarily quit their jobs in April, a record high that reflects a bullish outlook for wages and job advancement. Similarly, involuntary separations were 1%, a record low. The reluctance of some to work should wane as pandemic inspired payments expire and child-

care capacity returns.

Corporate America is responding to the dearth of workers. After a year of retrenchment, companies are investing to meet demand. Enticed by ultra-low interest rates, companies have re-capitalized their balance sheets, are awash in cash, and have reduced interest obligations. The Institute of Supply Management's and the Philadelphia Federal Reserve Bank's May surveys indicate that much of these funds will be spent on capital equipment and supply chain infrastructure to alleviate current backlogs and meet future demand. This "capex" cycle appears to have legs and should help realign productive resources for today's economy. A similar story is likely to play out in Europe and Japan.

There is little chance, in our view, that the economy falters here. Corporate earnings should grow double digits and even state and local governments are flush with cash. The major economic risk is inflation. Long dormant, measures of inflation are rising. The Federal Reserve Board's (Fed) preferred measure of inflation, the core PCE deflator, measured 3.4% in May. The Fed targets an "average" inflation rate of 2%. While the latest reading is significantly higher than the 2% target, the Fed suggests that conditions driving the elevated rate are transitory and will dissipate as supply constraints recede. Investors should hope that the Fed's words speak louder than their actions.

In the past, notably the late 1970's-1980's, the Fed raised short term interest rates to break inflation's back. Now the Fed is trying to manage inflation by professing their vigilance while maintaining policies intended to push inflation higher – targeting a federal funds interest rate of 0% to 0.25% and purchasing \$120 billion of treasuries and mortgage securities per month. Recently, the Fed's purchasing of Treasuries has equaled issuance, helping keep long interest rates depressed. Interest rates will likely rise before the Fed begins tapering its asset purchases, perhaps early next year.

As we move past the pandemic and the associated lockdowns, important social and economic questions remain. We used our strong economic position to finance the myriad of programs to support our country. In doing so, we increased our debt to levels not seen since World War II. The upward trajectory is unsustainable and pushes pandemic costs to future generations. How we assess these costs is becoming increasingly important to the markets. Debt remediation is likely to include higher taxes. The structure and form of any tax increases will affect economic growth and inflation. There is no simple fix and so far Congress has largely avoided the issue.

The immediate risk is that our economy is growing faster than its potential which may cause systemic inflationary pressures. Stocks will likely outperform bonds in this environment, however volatility is likely to increase for most asset classes as investors digest the growth/inflation paradigm.

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

Year	Total Return Gross of Fees%	Total Return Net of Fees%	Russell Mid Cap Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell Mid Cap 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 Advisory-On-ly Assets End of Period (\$ millions)	Total Firm Assets End of Period # (\$ millions)
2020	32.0	31.4	35.6	19.8	21.5	629	1.14	2,729	10,746	5,523	16,269
2019	35.8	35.2	35.5	12.9	13.9	558	0.49	954	8,445	4,083	12,528
2018	-3.5	-3.9	-4.8	12.2	12.8	506	0.45	850	7,102	3,132	10,234
2017	17.7	17.2	25.3	10.8	10.9	447	0.65	763	7,272	3,274	10,546
2016	13.9	13.3	7.3	12.0	12.2	105	0.54	431	5,693	2,445	8,139
2015	1.9	1.4	-0.2	11.4	11.3	50	0.42	221	5,941	1,153	7,094
2014	13.0	12.4	11.9	10.8	10.9	41	0.51	145	6,328	1,121	7,449
2013	37.9	37.3	35.7	13.2	14.6	35	0.38	84	6,489	978	7,467
2012	10.4	9.8	15.8	17.0	17.9	26	0.46	43	6,755	743	7,498
2011	12.7	12.1	-1.7	19.1	20.8	22	0.67	30	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 Mid Cap Growth Composite has had a performance examination for the periods 10/1/99 – 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 Mid Cap Growth Composite is October 1, 1999, 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 mid cap growth style for a minimum of one full month. The mid cap growth strategy invests in the equity of high quality companies with market capitalizations between \$800 million and \$15 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 \$500 thousand (US dollars). Prior to September 1, 2005 the composite did not include private client accounts or accounts with less than \$1 million. The primary composite benchmark is the Russell Midcap 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. The % of the composite represented by non-fee paying accounts at annual period end was 100% 1999-2001, 36% in 2002, 20% in 2003, 15% in 2004, 13% in 2005, 22% in 2006 and 18% in 2007. 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 Mid 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.

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 Mid Cap Growth Fund Institutional Shares is 0.60% and 0.78%, respectively. The management fee schedule and expense ratio for the Mid Cap Growth Fund Retail Shares is 0.60% and 1.03%, 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, nor does it warrant the accuracy or quality of the content contained herein.