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.

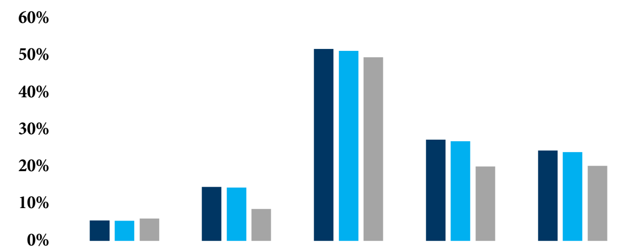
There are at least three strong pillars supporting this expansion: a strong consumer, a long-delayed capex cycle, and government spending. The fiscal stimulus should not be discounted as it topped 15% of GDP in 2020 and should total over 10% in 2021. A further $1.2 trillion is expected to be approved 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 SMid Growth Portfolio ("the Portfolio") returned 5.52% gross of fees during the quarter, while the Russell 2500 Growth Index returned 6.04%.

The Portfolio benefited from security selection in Health Care, Industrials, Materials, and Consumer Discretionary. However, security selection in Information Technology, Financials, and Consumer Staples detracted from performance during the quarter. In addition, an underweight allocation to Information Technology detracted from relative performance.

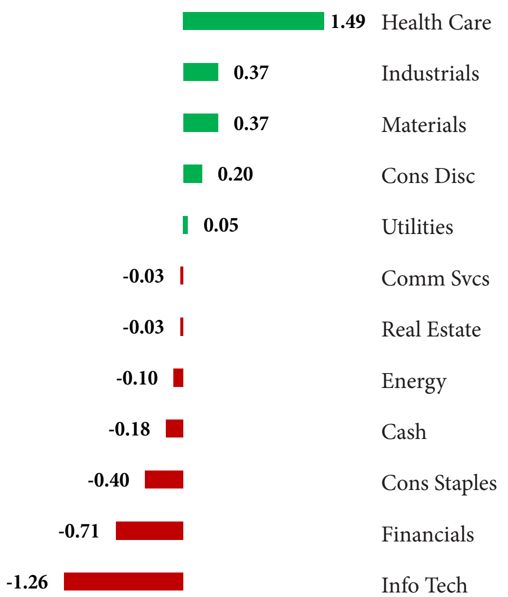
% Average Annual Returns as of 6/30/2021



	QTD	YTD	1 Yr	3 Yrs	Inception (4/1/2017)
SMid Growth (Gross)	5.5	14.6	51.9	27.4	24.5
SMid Growth (Net)	5.4	14.4	51.3	26.9	24.0
Russell 2500 Growth*	6.0	8.7	49.6	20.1	20.3

Performance is preliminary and subject to change at any time

% Total Effect Portfolio vs. Index[1] 3/31/2021 - 6/30/2021



2Q 2021 Attribution Highlights

Overall Contributors

- Security selection in Health Care, Industrials, Materials & Consumer Discretionary

Overall Detractors

- Security selection in Information Technology, Financials & Consumer Staples
- Underweight allocation to Information Technology

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight%	Contribution%
Generac Holdings Inc.	4.38	1.13
Pool Corporation	3.42	0.91
Charles River Laboratories Intl., Inc.	3.12	0.76
West Pharmaceutical Services, Inc.	3.09	0.72
ResMed, Inc.	2.38	0.64

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, compounding already strong backlog trends. Commentary suggests this should continue to support growth and margins that are already operating above the company's long-term model.

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.

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.

ResMed, Inc. (RMD) develops medical solutions and products that treat and manage sleep disordered breathing such as obstructive sleep apnea and central sleep apnea. RMD's results have been dragged down recently as COVID-19 has impacted its client's ability to be diagnosed in sleep labs. The stock has benefited, however, from the company's largest competitor, Philips, issuing a product recall for some of its CPAP machines. ResMed may see a multi-year benefit from its competitor's business disruption.

Detractors

Stock	Avg. Weight%	Detraction%
Williams-Sonoma, Inc.	3.28	-0.39
Boston Beer Company, Inc. Class A	2.22	-0.37
ESCO Technologies, Inc.	1.52	-0.26
MarketAxess Holdings, Inc.	2.00	-0.14
LPL Financial Holdings, Inc.	2.10	-0.12

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 is mainly 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.

MarketAxess Holdings, Inc. (MKTX) is a financial technology company focused on the global fixed income marketplace. The company reported a good first results quarter fueled by the continued adoption of electronic fixed income trading and new products as it continues to take market share. The stock's underperformance is largely attributed to the company's continued investment in operating expenses and the general lack of fixed income market trading volatility.

ESCO Technologies, Inc. (ESE) is a multi-industrial, producing engineered products and systems from a portfolio of businesses for utility, industrial, aerospace, and commercial applications. Growth continues to be negatively impacted by weakness in commercial aerospace and a pull forward of customer activity into the prior quarter in the Utility segment. Strong execution led to margin expansion despite lower sales. A return to more normal conditions should help ESE's end markets resume growth.

Boston Beer Company, Inc. Class A (SAM) produces and sells alcoholic beverages such as Samuel Adams, Truly Hard Seltzer, Twisted Tea, and Angry Orchard. SAM reported strong first quarter results and raised fiscal year guidance sharply as Truly gains market share in the nascent hard seltzer category. The stock's underperformance is a result of concerns surrounding slowing seltzer category growth and the potential negative impact from the broader re-opening of the economy.

LPL Financial Holdings, Inc. (LPLA) is a leader in the retail financial advice market and the nation's largest independent broker-dealer. LPLA's first quarter results were highlighted by organic growth of 7.6% and asset growth from acquisitions. The stock's underperformance during the quarter was primarily due to an uncertain interest rate outlook and some cooling off after the stock's recent excellent performance.

2Q 2021 Transaction Summary

Sector Allocation Changes

- Increase in Health Care & Energy
- Decrease in Industrials & Communication Services

Purchased

- Neogen Corporation (NEOG) - Health Care
- Brooks Automation, Inc. (BRKS) - Information Technology
- Cactus, Inc. Class A (WHD) - Energy

Sold

- Kansas City Southern Railway Company (KSU) - Industrials
- MSA Safety, Inc. (MSA) - Industrials
- Take-Two Interactive Software, Inc. (TTWO) - Communication Services

Purchased

Neogen Corporation (NEOG) develops, manufactures, and markets a diverse line of products and services dedicated to food and animal safety. The company operates a Food Safety segment that consists primarily of diagnostic test kits and complementary products sold to food producers and processors. The Animal Safety segment produces veterinary instruments, pharmaceuticals, and diagnostic products for the worldwide animal safety market. In recent quarters, both segments have seen accelerating organic growth as NEOG has been increasing sales of existing products, introducing new products, and growing international sales.

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.

Cactus, Inc. Class A (WHD) is a manufacturer of highly engineered wellhead and pressure control equipment used in U.S. onshore oilfields during the drilling, completion, and production phases. Global oil demand is likely to increase as economies gradually return to normalcy. Through the downturn, Cactus has successfully maintained a debt free balance sheet. Given its solid financial footing and superior value-additive products, the company is well-positioned to win new business as oil producers resume activity.

Sold

Kansas City Southern Railway Company (KSU) is one of seven Class I rails operating in North America and is strategically focused on the north/south freight corridor, which connects key markets in the central U.S. with major cities in Mexico. In March, KSU agreed to be purchased by Canadian Pacific for cash and stock at a 23% premium to its then stock price. In April, Canadian National emerged and proposed to acquire KSU at a higher price than Canadian Pacific's proposal. Ultimately, KSU accepted Canadian National's higher offer. Merger approvals between Class I rails are subject to significant regulatory scrutiny, and as such present downside risk to the deal premium that had been priced into the stock.

MSA Safety, Inc. (MSA) manufactures safety products that protect against hazardous or life-threatening situations across end markets that include fire service, oil, gas, construction, and mining, amongst others. The company has had a challenging beginning to 2021 due to lingering pandemic lockdowns overseas as well as non-repeating industrial personal protective equipment. For the balance of the year, a shortage of electronics components may present a headwind to sales growth and margins which may push out the timing of a recovery.

Take-Two Interactive Software, Inc. (TTWO) is a leading developer and publisher of interactive video, computer, and mobile games. The company is expected to increase investments in R&D and marketing to move games in the pipeline along and support engagement levels. This increased investment will hurt margins and earnings. More importantly, engagement levels are expected to come under pressure as vaccines roll out and the company is not planning to launch a AAA game this year, both of which will have a detrimental impact on net bookings.

Positioning

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

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.

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

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. SMid Growth Composite 4/1/2017 - 12/31/2020

Year	Total Return Gross of Fees%	Total Return Net of Fees%	Russell 2500 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2500 Growth 3-Yr annualized ex-post St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ millions)	Total Firm Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2020	50.3	49.7	40.5	20.7	23.9	47	0.62	55	10,746	5,523	16,269
2019	28.7	28.2	32.7	n/a	n/a	14	n/a	37	8,445	4,083	12,528
2018	1.3	0.9	-7.5	n/a	n/a	≤5	n/a	27	7,102	3,132	10,234
3/31/17–12/31/17	12.8	12.5	17.1	n/a	n/a	≤5	n/a	35	7,272	3,274	10,546

#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 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 SMid Growth Composite is April 1, 2017, 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 SMid growth style for a minimum of one full month. The SMid growth strategy invests in the equity of high quality companies with market capitalizations between $300 million and $20 billion (at the time of purchase) exhibiting consistent earnings growth. Accounts with wrap commissions are excluded from the composite. The primary composite benchmark is the Russell 2500 Growth. The benchmark returns are not covered by the report of the independent verifiers. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. A complete list and description of all firm composites is available upon request. 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 for periods prior to 2020 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

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.