Portfolio Commentary

2Q 2022

MID CAP GROWTH

Market Review

The United States approaches Independence Day caught in a whirlwind of emotions as investors grapple with conflicting economic readings like soaring inflation and softening demand for economically sensitive commodities. The Federal Reserve Governors have turned to restrictive monetary policies while the federal government offers fiscal plans unlikely to blunt rising prices or boost sentiment. Financial markets reflect this uncertainty as both stock and bond volatility remains elevated. Stocks experienced a bear market decline in the first half of the year while the bond market experienced its worst six-month period since the early 1970's. The economic outlook is nebulous, but likely not as dire as sentiment or headlines suggest.

Contrasting economic reports have their genesis in the strong labor market that followed the Great Financial Crisis in 2008 and the overwhelming federal government response through both fiscal and monetary policy to the pandemic. The decade prior to COVID-19 bore the best labor market since World War II. There was little slack, but wages and benefits rose along with productivity helping to keep inflation in check. After the pandemic, the labor force shrank, partly from lifestyle choices and partly from government incentives intended to offset lost wages. With fewer people returning to the labor force, compensation is now rising greater than productivity, stoking price spikes. Fiscal stimulus half worked. It enabled consumers to spend and maintain their lifestyles yet failed to help producers increase supply resulting in shortages in goods of all types.

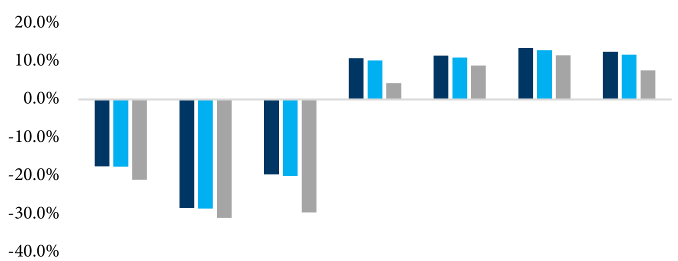
The Federal Reserve (Fed) repeatedly acknowledged the threat sustained inflation presents and has reiterated its commitment to achieving price stability. The Fed accelerated its inflation fight by raising interest rates two times during the quarter and by allowing its balance sheet to shrink, thereby decreasing the supply of money embedded in the banking system. The federal funds interest rate has been hiked by 1.5% this year, making borrowing more expensive. Higher rates have and will continue to effect capital allocation decisions for companies and consumers, but a recession is not a foregone conclusion despite the Fed's newfound hawkishness.

Performance Overview

The Congress Mid Cap Growth Portfolio ("the Portfolio") returned -17.52% (gross of fees) and -17.62 (net of fees) during the quarter while the Russell Midcap Growth Index ("the Index") returned -21.07%.

The Portfolio benefited from security selection in Industrials, Information Technology, and Consumer Discretionary. An overweight allocation to Consumer Staples also aided performance during the quarter. However, security selection in Consumer Staples detracted from performance as did a lack of exposure to Energy, Materials, and Utilities.

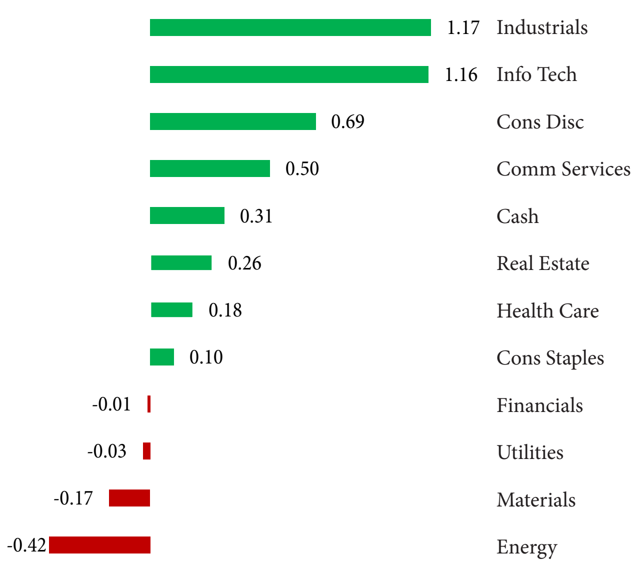
Average Annualized Performance % as of 6/30/2022



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 10/1/1999
Mid Cap Growth (Gross)	-17.5	-28.4	-19.6	10.7	11.4	13.4	12.5
Mid Cap Growth (Net)	-17.6	-28.6	-20.0	10.2	10.9	12.9	11.7
Russell Midcap Growth®	-21.1	-31.0	-29.6	4.3	8.9	11.5	7.6

Performance is preliminary and subject to change at any time.

% Total Effect Portfolio vs. Index[1]
(3/31/2022 - 6/30/2022)



2Q 2022 Attribution Highlights

Overall Contributors

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

Overall Detractors

- Security selection in Consumer Staples
- Underweight allocations to Energy, Materials, and Utilities

Top 5 Contributors/Detractors

Stock	Avg. Weight%	Contribution%
Neurocrine Biosciences, Inc.	2.24	0.13
Booz Allen Hamilton Holding Corp.	2.71	0.12
Asbury Automotive Group, Inc.	3.57	0.08
Huntington Ingalls Industries, Inc.*	0.19	0.07
Masco Corporation	2.47	-0.04

**Sold during the quarter*

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%	Detraction%
Entegris, Inc.	2.84	-0.94
Generac Holdings, Inc.	2.57	-0.87
Etsy, Inc.	1.70	-0.82
Horizon Therapeutics plc	3.01	-0.75
Zebra Technologies Corp. Class A	2.21	-0.68

Neurocrine Biosciences, Inc. (NBIX) discovers, develops, and commercializes drugs for the treatment of neurological and endocrine-related diseases and disorders. Neurocrine's first-quarter results saw sales growth of over 30% and management maintaining full-year guidance of 20% sales growth for its key drug Ingrezza. The company is also optimistic that its product pipeline will make incremental development progress in the next two years.

Booz Allen Hamilton Holding Corp. (BAH) provides consulting and technology engineering solutions including digital strategy, cyber risk consulting, analytics, and engineering to the defense, intelligence, civil, and commercial markets. Fiscal fourth-quarter results benefitted from an acceleration in revenue and backlog growth. The quarter also showed a record book-to-bill of 1.66x due to net bookings growth.

Asbury Automotive Group, Inc. (ABG) is one of the largest automotive retailers in the U.S. Asbury's first-quarter results exceeded expectations, as pricing gains in new and used vehicle sales offset volume challenges due to inventory availability. Asbury is confident about its long-term growth prospects and raised its 2025 financial targets.

Huntington Ingalls Industries, Inc. (HII) is the largest military shipbuilding company in the U.S. First quarter results beat expectations as revenue grew 13% and management reiterated its earnings guidance for the full year. While operating margins and free cash flow declined in the quarter, the company expects a rebound in the second half of the year, driven by steady growth in its shipbuilding business despite the backdrop of inflation and geopolitical uncertainty.

Masco Corporation (MAS) is a global leader in the design, manufacture, and distribution of branded home improvement and building products. Masco's first-quarter results benefitted from 14% organic growth from both volume and pricing gains. Management also raised full-year expected earnings per share, as an increase in organic growth guidance more than offset lowered operating margin guidance due to inflationary pressures.

Entegris, Inc. (ENTG) is a leading developer, manufacturer, and supplier of micro-contamination control products, specialty chemicals, and advanced materials handling solutions used in semiconductor and other high-tech manufacturing processes. ENTG reported better than expected quarterly results, but the stock underperformed along with the rest of the semiconductor industry.

Generac Holdings, Inc. (GNRC) is an energy technology solutions company that provides backup and prime power generation systems for residential and commercial & industrial applications. Following two-plus years of substantial home standby generator growth stemming from increased power outages and a shift to at-home work, there is increasing investor fear that growth will decelerate in the years ahead. This has been exacerbated by rising inflation and interest rates which could threaten consumers' capacity to spend on items such as Generac products.

Etsy, Inc. (ETSY) operates an online global marketplace for unique and creative goods such as shoes, clothing, bags, and accessories. ETSY reported disappointing first-quarter results for both revenue and EBITDA as its business experienced a slowdown in February that continued into April. Etsy also provided second-quarter guidance for a further revenue slowdown and greater margin contraction.

Horizon Therapeutics plc (HZNP) develops therapies for orphan diseases, including uncontrolled gout and thyroid eye disease. First-quarter results reflected modestly disappointing results for Tepezza, a key drug. Management expects only a moderate acceleration in sales for the second quarter, casting some doubt on their optimistic full-year guidance. However, they remain confident in Tepezza's long-term growth target of $3.5 billion.

Zebra Technologies Corp. (ZBRA) is a global leader in products used to capture enterprise asset data, automate business practices, and create actionable analytical insights. Organic growth in its Enterprise Visibility and Mobility segment was offset by supply chain-driven weakness in its Asset Intelligence and Tracking segment. Margins were also pressured by increased freight expenses. However, the company expects to see supply issues improve this year and margins will benefit from recent price increases.

2Q 2022 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Decrease in Industrials	• None	• Huntington Ingalls Industries, Inc. (HII) Industrials

Purchased

None

Sold

Huntington Ingalls Industries, Inc. (HII) is the largest military shipbuilding company in the U.S. Margins have been weak over the last several quarters due to a combination of industry dynamics and execution issues. Supply chain, labor, and logistical challenges could continue to pressure margins. These combined factors resulted in the stock being sold.

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 sale during the quarter and is illustrative of this philosophy. This sale essentially reduced the Portfolio's Industrials weighting.

Outlook

Our view is that in the current environment the most important determinant for continued economic expansion is the state of the consumer and their willingness to spend. After two years of cash accumulation with constrained spending opportunities households now have $116 trillion in cash, up 33% from two years ago. In addition, thanks to a decade of low interest rates, debt service is low. Inflation is biting, but not yet crushing the consumer.

Unlike 2008, we do not have a systemic leverage problem for either individuals or corporations. Debt accumulated over the past few years is at low rates and the related interest obligations are not draconian. As such a "credit contagion" similar to 2008 is unlikely. Proper use of leverage would help temper any downturn.

Many business leaders have issued cautionary economic commentary. This is prudent given the unusual economic state of affairs. However, even with higher inflation, profit margins have held up. Given the difficulty in identifying, hiring, and training workers, employers may be reluctant to cut payroll for what may be a cyclical inflationary period. More acute margin pressures later in the year may indeed push businesses into cost cutting mode. Corporate earnings would be challenged in 2023 should that transpire.

Commodity prices have come off the boil due to lower anticipated growth, some demand destruction, and China's shutdown of Shanghai and Beijing. In the U.S., active oil and gas rigs are up 50% over last year, though still significantly below records achieved last decade in a more supportive scenario for carbon-based product. Delivering supplies of oil and natural gas to needed geographies in time for winter may prove challenging and limit better prices for consumers.

Outside the U. S., most if not all, of the developed economies are battling both inflation and higher interest rates. Many economies are teetering on the edge of recession and are facing even higher energy prices than the United States. Russia's war on Ukraine is also likely to create more challenges for Europe as the year progresses.

China's economic engine has stalled as its "zero covid" policy resulted in the lockdown of its most important regions for trade and commerce. It is slowly re-opening but combined with a bourgeoning real estate crisis, China is unlikely to grow substantially until next year.

The current macro-economic environment is without precedent. Investors will continue to monitor the Federal Reserve as it walks a tightrope trying to control inflation while maintaining a strong employment market and a growing economy. As important is the adaptability of the U.S. economic system and its constituents. The challenges are real but domestic businesses and organizations have proven time and again that they can respond to new stimuli and new scenarios. That is often lost in the cacophony of daily headlines.

The financial markets have, and will likely continue to, react viscerally to unanticipated economic readings. In our view, long term investors will be rewarded by staying the course – investing in the stocks and bonds of high-quality U.S. companies. Extreme market volatility is often unsettling but should not alter longer term investment programs.

Information is as of 6/30/2022

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-Only 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 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 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, not does it warrant the accuracy or quality of the content contained herein.