CONGRESS ASSET MANAGEMENT COMPANY

2Q 2022

Portfolio Commentary

Small 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.

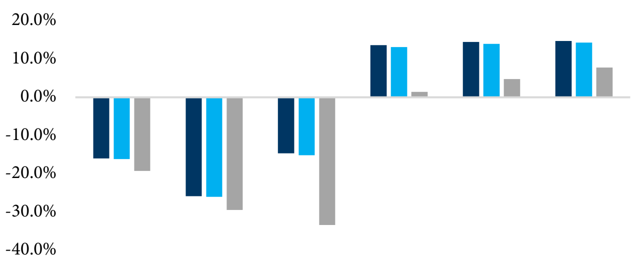
The Federal Reserve (Fed) repeatedly acknowledged the threat sustained inflation presents and has reiterated its commitment to achieving price stability. The Fed accelerated its inflation fight by raising interest rates two times during the quarter and by allowing its balance sheet to shrink, thereby 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 Small Cap Growth Portfolio ("the Portfolio") returned -16.0 % (gross of fees) during the quarter, while the Russell 2000 Growth Index ("The Index") returned -19.3%.

The Portfolio benefited from security selection in Health Care, Industrials, Information Technology, and Consumer Staples. However, security selection in Consumer Discretionary and Energy detracted from performance. In addition, underweight allocations to Energy and Utilities hindered performance.

Average Annualized Performance % as of 6/30/2022

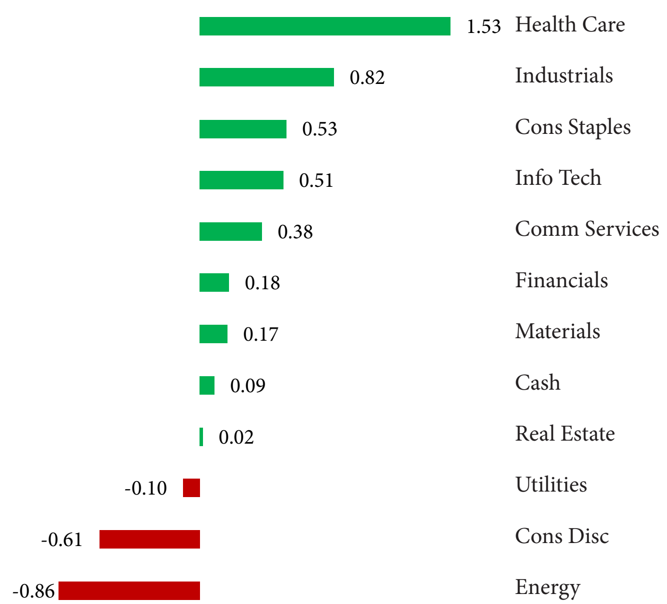


	QTD	YTD	1 Yr	3 Yrs	5 Yrs	Inception 7/1/2013
Small Cap Growth (Gross)	-16.0	-25.8	-14.6	13.7	14.5	14.8
Small Cap Growth (Net)	-16.2	-26.1	-15.1	13.1	14.0	14.4
Russell 2000 Growth*	-19.3	-29.5	-33.4	1.4	4.8	7.8

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 Health Care, Industrials, Information Technology, and Consumer Staples

Overall Detractors

- Security selection in Consumer Discretionary and Energy
- Underweight allocations to Energy & Utilities

Top 5 Contributors/Detractors

Stock	Avg. Weight%	Contribution%
Lantheus Holdings, Inc.	4.87	0.75
e.l.f. Beauty, Inc.	2.26	0.50
FTI Consulting, Inc.	2.58	0.37
AMN Healthcare Services, Inc.	2.61	0.17
ICF International, Inc.	2.76	-0.02

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%	Detraction%
Boot Barn Holdings, Inc.	4.52	-1.44
Progyny, Inc.	2.25	-1.19
Rada Electronic Industries Ltd.	2.61	-1.07
Core Laboratories N.V.	2.25	-1.00
Shyft Group, Inc.	1.53	-0.98

Lantheus Holdings, Inc. (LNTH) is a leading provider of diagnostic medical imaging solutions focused on cardiac and cancer imaging. Growth continues to benefit from the successful launch of PYLARIFY, a prostate cancer diagnostic imaging agent where its success has driven upgrades to the full-year outlook with incremental opportunities for growth from additional therapeutics and diagnostic expansion.

e.l.f. Beauty, Inc. (ELF) is a leading beauty products company offering high-quality cosmetics at value prices. Quarterly results impressed, fueled by a rebound in the cosmetics category as more consumers have occasion to go out again. Management is seeing traction to increase shelf space with national and international retailers. Profitability also impressed, demonstrating margin expansion despite incremental supply chain and freight headwinds.

FTI Consulting, Inc. (FCN) is a consulting company specializing in restructuring, forensic & litigation, and communications. Its diversified business mix is producing consistent mid-single-digit organic revenue growth with strong visibility in the pipeline and backlog conversion for the remainder of the year. FCN's Strategic Communications and Corporate Finance and Restructuring segments are performing well, while market concerns over a global recession would suggest future tailwinds for restructuring activity.

AMN Healthcare Services, Inc. (AMN) provides healthcare workforce solutions and staffing services. Quarterly results continue to benefit from staffing shortages as a result of the Omicron surge and the structural shortage of qualified nurses. Management expects these trends to continue as healthcare organizations remain understaffed due to a severe labor shortage, high attrition rate, changing workforce preferences, and intense competition for professionals.

ICF International, Inc. (ICFI) provides professional services and technology-based solutions to government and commercial clients. The current administration's focus on infrastructure, energy efficiency, green energy, public health, and education programs all play into ICFI's core expertise in program management for U.S. public policy. Quarterly results and backlog growth continue to impress with the benefit of the infrastructure bill still ahead, while margins are supported by a more profitable mix of business, higher utilization, and increased scale.

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, high gas prices and concerns of a slowdown in consumer spending have negatively impacted the stock's performance.

Progyny, Inc. (PGNY) is a health benefits manager specializing in carved out fertility benefits, its differentiated approach delivers a robust employee benefit; its improved patient outcomes also benefit the employer through employee productivity, cost, and retention. The stock sold off along with other higher valuation stocks most impacted by the market drawdown, along with concern for potential disruption from the Roe vs. Wade ruling.

Rada Electronic Industries Ltd. (RADA) develops defense electronics for tactical land radars, critical infrastructure applications, and military avionics for manned and unmanned aircraft. The company agreed to be acquired by Leonardo DRS in an all-stock transaction which was poorly received by its investor base. With little visibility into the fundamentals of the new combined entity, RADA was removed from the Portfolio.

Core Laboratories N.V. (CLB) provides energy services and products that improve reservoir performance, increase oil and gas recovery, and analyze the properties of crude oil and petroleum products. First quarter results were impacted by the Omicron variant as well as initial market dislocations from the Russia-Ukraine conflict. Oil prices also declined as market concerns over a potential global recession overwhelmed the tight conditions in the energy supply.

Shyft Group, Inc. (SHYF) is a niche market leader in specialty vehicle manufacturing and assembly for commercialdelivery and the recreation/specialty vehicle market. SHYF products include walk-in vans, truck bodies, andspecialty chassis used across various end markets. Supply chain challenges around chassis availability constrained production in the first quarter and should persist before recovering in the second half of the year. Meanwhile, demand continues to be robust, with the total backlog increasing by 90% year over year.

2Q 2022 Transaction Summary

Sector Allocation Changes

- Increase in Consumer Discretionary & Energy
- Decrease in Information Technology, Real Estate & Industrials

Purchased

- Revolve Group, Inc. (RVLV) - Consumer Discretionary
- Ranger Oil Corporation (ROCC) - Energy

Sold

- Cerence, Inc. (CRNC) - Information Technology
- EastGroup Properties, Inc. (EGP) - Real Estate
- Rada Electronic Industries Ltd. (RADA) - Industrials

Purchased

Revolve Group, Inc. (RVLV) is an online fashion retailer catering to female Millennial and Generation Z consumers with a marketing approach that is heavily data-driven and influencer-driven creating an engaging customer experience through its curation of over 70,000 pieces of apparel. RVLV has delivered 20% annualized growth over the last 20 years; its capital-light business model results in an elevated profitability and cash flow profile with no debt on the balance sheet.

Ranger Oil Corporation (ROCC) is an independent oil and gas company engaged in the onshore development and production of crude oil, natural gas liquids, and natural gas. Its advantaged position in the Eagle Ford shale of Texas delivers industry leading margins from a high mix of oil production and strong pricing due to its proximity to Gulf Coast refining and export capacity. ROCC's strong balance sheet and significant cash flow allow for disciplined growth from its drilling inventory and through acquisition, while still returning cash to shareholders.

Sold

Cerence, Inc. (CRNC) is a global leader in the rapidly growing transportation virtual assistant market. Quarterly results were weaker than expected due to supply chain disruptions in the auto industry, also impacting the full year outlook. Long term targets are also under review as management now expects bookings to take longer to convert into revenue. With uncertainty towards ongoing supply chain disruptions, particularly towards high-end customers in Europe due to the ongoing Russia-Ukraine conflict, the stock was removed from the Portfolio.

EastGroup Properties, Inc. (EGP) is a REIT focused on multi-tenant industrial spaces that support last-mile commerce and shallow-bay industrial distribution. The stock was sold after it exceeded the Portfolio's market cap guidelines.

Rada Electronic Industries Ltd. (RADA) develops defense electronics for tactical land radars, critical infrastructure applications, and military avionics for manned and unmanned aircraft. The company agreed to be acquired by Leonardo DRS in an all-stock transaction. With little visibility into the fundamentals of the new combined entity, RADA was removed from the Portfolio.

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

Outlook

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

Information is as of 6/30/2022

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.

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.