CONGRESS ASSET MANAGEMENT COMPANY

3Q 2021

Portfolio Commentary

Large Cap Growth

Market Review

We enter the 4th quarter of 2021 at an inflection point. For most of this year, the financial markets were calm as the stock market rose, ignoring the economic lull that accompanied the rise of the Delta variant. At the same time, the yield on the U.S. 10 Year Treasury fell to about 1.25% in mid-August. Now, however, the financial markets are reassessing the outlook for inflation and growth. Market interest rates have risen faster than many expected, tempering stock gains and clouding the outlook. Increased volatility should continue as the global economy re-emerges from the pandemic induced restrictions, disrupting normal trade and economic patterns.

There is little doubt that the U.S. economy is expanding at an elevated rate. Demand for goods and services remains robust supported by strong consumer trends. This is unlikely to end soon as job opportunities remain plentiful, wages are increasing, and consumer net worth remains elevated. Re-establishing a pattern first seen in 2018-2019, the nearly 11 million available jobs outnumber the close to 9 million officially unemployed. Work is available and pay is increasing.

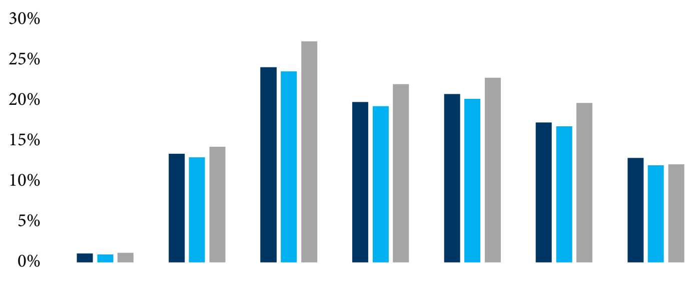
Trends for businesses and other organizations are also accelerating. The business inventory to sales ratio has fallen to less than 1.3 months. Replenishment to a more appropriate 1.4 to 1.5 months will take time, adding to demand pressures as companies re-stock.

Performance Overview

The Congress Large Cap Growth Portfolio ("The Portfolio") returned 1.09% (gross of fees) during the third quarter, while the Russell 1000 Growth Index ("The Index") returned 1.16%.

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

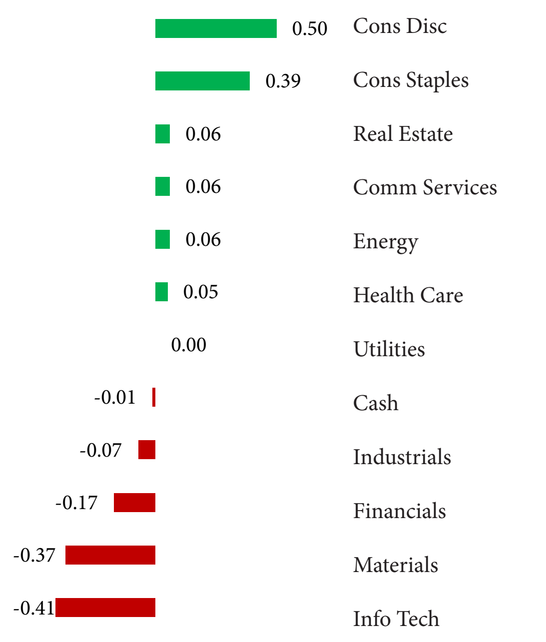
Average Annualized Performance % as of 9/30/2021



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Large Cap Growth (Gross)	1.1	13.4	24.1	19.8	20.8	17.3	12.9
Large Cap Growth (Net)	1.0	13.0	23.6	19.3	20.2	16.8	12.0
Russell 1000 Growth©	1.2	14.3	27.3	22.0	22.8	19.7	12.1

Performance is preliminary and subject to change at any time

% Total Effect Portfolio[1] vs. Index (6/30/2021 - 9/30/2021)



3Q 2021 Attribution Highlights

Overall Contributors

- Security selection in Consumer Staples, Consumer Discretionary & Industrials
- Overweight allocation to Health Care

Overall Detractors

- Security selection in Information Technology, Financials & Materials
- Overweight allocation to Industrials

Top 5 Contributors

Stock	Avg. Weight%	Contribution%
Paycom Software, Inc.	1.91	0.56
Thermo Fisher Scientific, Inc.	3.37	0.40
Costco Wholesale Corporation	2.65	0.32
Alphabet, Inc.	3.06	0.26
Lululemon Athletica, Inc.	2.58	0.25

Paycom Software, Inc. (PAYC) is a leader in payroll and human capital management (HCM) applications that enable small and mid-market businesses to better manage the employment life cycle. PAYC reported excellent quarterly results with recurring revenue growth accelerating to its highest level since 2016. Bookings continue to be strong with the last two weeks in July coming in at record levels for the company.

Thermo Fisher Scientific, Inc. (TMO) provides analytical instruments, equipment, reagents and consumables, and software services used for research, analysis, discovery, and diagnostics. TMO is one of the largest and most diversified participants in the life sciences industry. The stock's outperformance was due to a better-than-expected outlook for 2022 as the company continues to benefit from a very robust biotech funding environment.

Costco Wholesale Corporation (COST) operates membership warehouses that offer branded and private-label products in a range of merchandise categories. COST is unique among retailers in its ability to combine customer loyalty, value, and growth. The company continues to manage the current logistic and inflationary challenges well. Its ability to hold back on price increases relative to its peers has increased its value proposition and delivered market share gains.

Alphabet, Inc. (GOOGL) is a global technology leader focused on the way people connect with information. The company's segments generate revenues primarily by delivering relevant, cost-effective, online advertising. GOOGL's ad business continues to benefit from advertisers shifting their budgets to connected TVs. Elsewhere, the Google Cloud business is benefitting from secular tailwinds.

Lululemon Athletica, Inc. (LULU) manufactures and sells athletic apparel, primarily yoga and running clothing. The company's operating model is compelling for consumers, well-executed, and diversified across product category channels. LULU reported very good quarterly results highlighted by growth acceleration across all its key businesses. The company appears to be adeptly managing its supply chain heading into the upcoming quarter. Elsewhere, management noted that the company will reach its 2023 revenue targets two years early and other targeted milestones well in advance of expectations.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%	Detraction%
PayPal Holdings, Inc.	3.80	-0.38
Global Payments, Inc.	1.88	-0.31
Eaton Corp. Plc	0.97	-0.27
Caterpillar, Inc.	2.25	-0.26
Freeport-McMoRan, Inc.	1.71	-0.22

PayPal Holdings, Inc. (PYPL) is an online payment platform that enables digital and mobile payments on behalf of consumers and merchants worldwide. Management's announcement that it will transition away from eBay sooner than expected came as a surprise. This will undoubtedly pressure growth in the upcoming quarters. Despite this transitory headwind, PYPL's underlying business remain strong as revenue in the quarter (excluding eBay) rose over 30%.

Global Payments, Inc. (GPN) is a leading pure-play payment technology company providing payment and software solutions to approximately 3.5 million merchant locations and over 1,300 financial institutions globally. Growth continues to improve, and the company appears to be on track to achieve its model growth rate. However, integrated competitors are attempting to poach GPN's customer base, which could impede the company's long-term results.

Eaton Corp Plc (ETN) is a power management company that provides sustainable solutions that help customers manage electrical, hydraulic, and mechanical power solutions more safely, efficiently, and reliably. Like other industrial companies, ETN is being negatively impacted by supply chain issues. In fact, management has noted that this issue has grown worse. On a positive note, orders are strong, and visibility is increasing.

Caterpillar, Inc. (CAT) is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives. The company continues to experience margin pressure due to supply chain issues. However, CAT's demand ramp is strengthening heading into 2022 as dealer inventories remain at the low end of the historical range as retail demand is exceeding production.

Freeport-McMoRan, Inc. (FCX) is one of the world's largest producers of copper and a major producer of gold and molybdenum. The stock's underperformance is primarily due to the decline in copper prices caused by China's slowing industrial production growth. In addition, concerns that the Federal Reserve will be tapering bond purchases weighed heavily on copper prices as reducing bond purchases normally increases the value of the U.S. dollar, thereby making dollar-based commodities such as copper more expensive for international buyers.

3Q 2021 Transaction Summary

Sector Allocation Changes

- Increase in Consumer Discretionary & Industrials
- Decrease in Health Care & Materials

Purchased

- Darden Restaurants, Inc. (DRI) - Consumer Discretionary
- Eaton Corporation Plc (ETN) - Industrials
- Repligen Corporation (RGEN) - Health Care

Sold

- Air Products and Chemicals, Inc. (APD) - Materials
- IDEXX Laboratories, Inc. (IDXX) - Health Care
- Vertex Pharmaceuticals, Inc. (VRTX) - Health Care

Purchased

Darden Restaurants, Inc. (DRI) owns and operates full-service dining restaurants Olive Garden, LongHorn Steakhouse, Capital Grille, Yard House, Bahama Breeze, Seasons 52, Eddie V's Prime Seafood, Wildfish Seafood Grille, and Cheddar's Scratch Kitchen. The company's operating philosophy throughout the pandemic has been to focus on improving the core operational fundamentals at its restaurants by providing an outstanding guest experience rooted in culinary innovation, attentive service, engaging atmosphere, and integrated marketing. By leveraging scale and technology investments across its brands, DRI has improved its efficiencies and margins.

Eaton Corporation Plc (ETN) is a power management company that provides sustainable solutions to help customers manage electrical, hydraulic, and mechanical power solutions more safely, efficiently, and reliably. Over the years, the company has revitalized itself into an organic growth story that is well-positioned to capitalize on "everything as a grid" secular themes. With the emergence of electrification intensifying from renewable power generation to end-uses to decentralization, ETN will leverage its large installed base and digital insights to drive mid-single-digit plus organic growth.

Repligen Corporation (RGEN) is a global life sciences company that develops and commercializes highly innovative bioprocessing technologies and systems that increase efficiencies and flexibility in the process of manufacturing biological drugs. The company is uniquely positioned to benefit from growth in the biologics industry due to its strong product pipeline in filtration, chromatography, and proteins across legacy biologics (mAbs and proteins) and emerging biologics (cell and gene therapy). RGEN has successfully diversified its customer concentration and flexed its operating model to increase its manufacturing footprint to support growth while also expanding margins.

Sold

Air Products and Chemicals, Inc. (APD) is the world's largest supplier of hydrogen and has also built positions in growth markets such as helium and natural gas liquefaction. The concern surrounding the company is whether it will ever be paid for big projects, most notably the Lu'An project. APD is also facing increased competition as the company recently lost one of its key customers to a competitor. Finally, APD's financial results could be negatively impacted by geopolitical unrest given that the company generates about 60% of revenue outside the U.S.

IDEXX Laboratories, Inc. (IDXX) engages in the development, manufacture, and distribution of products and services for the veterinary, livestock, poultry, dairy, and water testing markets. It is the leader in the animal diagnostics market. IDXX was a clear beneficiary of the pandemic due to the increase in pet adoption that occurred. As such, the company reported very strong quarterly results throughout the pandemic. Going forward, IDXX will face difficult year-over-year comps, particularly in clinical visits.

Vertex Pharmaceuticals, Inc. (VRTX) focuses on developing and commercializing therapies for the treatment of cystic fibrosis as well as advancing its research and development programs in other areas. The company participates in a cystic fibrosis market that is expected to reach $13.9 billion by 2025. VRTX's weak pipeline became a concern after the company discontinued its Alpha-1 Antitrypsin Deficiency (AATD) drug due to unsuccessful data. In addition, there is uncertainty if the company will be the first to market its sickle cell/beta thalassemia drug due to increased competition.

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 three purchases and three sales in the Portfolio 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 Health Care and Materials weightings.

Outlook

The U.S.'s spending spree has been ongoing for over a year. The breadth and depth of demand, coming on the heels of the initial pandemic shutdown, has overwhelmed supply chains. Twenty percent of all imports enter via the ports of Long Beach and Los Angeles where upward of 60 cargo ships await to unload goods. Shipping costs have skyrocketed and delays abound.

Supply chain constraints are one element adding to inflation fears. Employment costs continue to rise as help wanted signs proliferate at restaurants, hotels, medical facilities, and schools. The Federal Reserve Bank (Fed) has noticed. The Fed played an important role over the past 18 months by lowering short term interest rates and purchasing over $4T of fixed income securities. These actions helped alleviate and shorten the economic pain of the pandemic, but if extended too long could exacerbate inflationary pressures. Late in September, the Fed signaled it will curtail its asset purchases beginning in November, tacitly acknowledging that August's 5% CPI reading was too high.

Inflation and supply issues are also surfacing in Europe and China. Notably, oil and natural gas prices have spiked with natural gas up five-fold over the past year. Some of the price rises will likely prove temporary, but energy investments have shifted to renewable sources like wind and solar. Especially in the U.S., there are few new carbon energy projects. As global growth solidifies, demand for carbon-based energy sources will re-appear, helping to set a floor for oil and natural gas prices, one higher than we have become accustomed to.

As the financial markets grapple with inflation, Washington appears to be in a state of suspended animation. The most immediate concern remains the federal debt ceiling, which if not raised or suspended by October 18, will prohibit most federal expenditures. Congress is highly unlikely to let that happen as the Democrats have the votes to remedy this issue by themselves. But the prospect that a U.S. default could happen is tempering investor's risk appetite and affecting both stock and bond prices.

In addition, Washington continues to struggle with a $1 trillion bi-partisan infrastructure bill and the far more ambitious $3.5 trillion American Families Plan. As currently envisioned, the American Families Plan would raise taxes, increase transfer payments, and enlarge the recipient class to include upper middle-class taxpayers. A slimmer plan could offer opportunities and assistance to those in need without the inflationary pressures the full plan would present to an economy already running close to capacity.

Fears that inflation is becoming systemic, similar to the 1970's, have risen. The Fed and others espouse a different view- that current inflation trends are transitory. The truth probably lies somewhere in the middle. Inflation will likely be higher than it has been, but not at the destructive level seen five decades ago. Many of the deflationary forces introduced to the economy since the 1980's should continue to suppress deleterious inflation.

For example, advancements in technology such as software and advanced machinery continues to foster better efficiency and productivity. Remote working offers flexibility and improves living standards. Globalization, embodied by the acceptance of China into the World Trade Organization in 2001, opened new trading routes, driving down prices. Global trade routes are now more disparate, a further check on costs while fostering development in other parts of the world. The Fed's September announcement itself should reassure inflation hawks that the central bank has not abandoned its price stability mandate.

A fall chill has descended on the financial markets. This is understandable given the positive returns over the past year and Washington's uncertain fiscal path. The economy is strong, however, and consumers and businesses will continue to spend until demand is satiated. Corporate profits, recently measured at +9%, should continue to grow and be supportive to stock prices over the next year. Bond returns may be more challenged as interest rates find a new equilibrium but offer stability and the promise of marginally higher income as we approach year end.

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

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P 500 Return % (dividends reinvested)	Russell 1000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P 500 3-Yr annualized ex-post St Dev (%)	Russell 1000 Growth 3-Yr St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ milions)	Total Firm Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2020	28.0	27.5	18.4	38.5	17.3	18.5	19.6	150	1.27	258	10,746	5,523	16,269
2019	34.4	33.9	31.5	36.4	11.5	11.9	13.1	114	0.82	207	8,445	4,083	12,528
2018	2.5	2.1	-4.4	-1.5	10.5	10.8	12.1	80	0.30	136	7,102	3,132	10,234
2017	27.2	26.6	21.8	30.2	9.9	9.9	10.5	78	0.58	111	7,272	3,274	10,546
2016	5.6	5.1	12.0	7.1	10.7	10.6	11.2	81	0.43	98	5,693	2,445	8,139
2015	2.8	2.2	1.4	5.7	11.1	10.5	10.7	28	0.49	65	5,941	1,153	7,094
2014	10.1	9.5	13.7	13.1	10.1	9.0	9.6	30	0.47	89	6,328	1,121	7,449
2013	30.5	30.0	32.4	33.5	12.5	11.9	12.2	35	0.50	233	6,489	978	7,467
2012	11.9	11.5	16.0	15.3	15.2	15.1	15.7	39	0.40	302	6,755	743	7,498
2011	3.5	3.1	2.1	2.6	17.0	18.7	17.8	45	0.66	463	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 Large Cap Growth Composite has had a performance examination for the periods 1/1/96 – 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 Large Cap Growth Composite was created on January 1, 1993 and the inception date of the composite is January 1, 1985, 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 large cap growth style for a minimum of one full month. The large cap growth strategy invests in the equity of high quality companies with market capitalizations greater than $5 billion exhibiting consistent earnings growth. The strategy may also invest from time to time in equity securities with capitalizations between $1 billion and $5 billion. 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 taxable accounts, private client accounts, or accounts with less than $1 million. The primary composite benchmark is the S&P 500 Index. The secondary benchmark is the Russell 1000 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. 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 Large 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. Prior to January 1, 1993 the composite is not in compliance with GIPS.

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.