

## Short-Term Fixed Income Portfolio

*Congress Asset Management strives for preservation of capital, consistent income, and alpha generation through a diversified portfolio of investment grade government, corporate, and securitized bonds. Consistency of approach and adherence to sound fundamental and relative value analysis is the basis of our investment process.*

### Company Snapshot

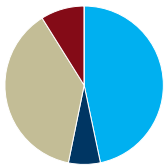
Company Assets	\$19.1 b
Founded	1985

### Investment Committee

#### Company Tenure

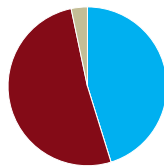
Jeff Porter, CFA Committee Chair	2010
John Beaver, CFA	2002
Brian Guild	2000
John Corrigan, CFA	2011

### Ratings Distribution<sup>1</sup> %



46.7	Aaa	■
6.5	Aa	■
37.9	A	■
8.9	Baa	■
--	NR	■

### Sector Allocation<sup>1</sup> %



45.2	Government	■
--	Securitized	■
51.5	Corporates	■
3.3	Cash	■

Index: Bloomberg US Treasury 1-5 Year<sup>1</sup>

Characteristics <sup>1</sup>	Short-Term Fixed Income	Index
Avg. Bond Rating	Aa3	AAA/AAA
Avg. Bond Maturity (yrs.)	2.32	2.84
Avg. Duration (yrs.)	2.21	2.79
Avg. Coupon %	2.63	1.30
Avg YTM	0.61	0.50

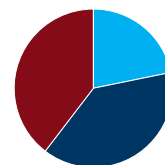
### Risk Return Analysis

Standard Deviation %	2.42	2.43
Alpha	0.21	--
Beta	0.97	1.00
Sharpe Ratio	0.83	0.76
Tracking Error	0.48	--
Information Ratio	0.35	--

### Distribution by Duration<sup>1</sup> %

Under 1 yr.	54.3	--
1-3 yrs.	45.7	59.9
3-5 yrs.	--	40.1
5-7 yrs.	--	--
7-10 yrs.	--	--
Over 10 yrs.	--	--

### Maturity Allocation<sup>1</sup> %



21.8	<1 yr.	■
38.6	1-3 yrs.	■
39.6	3-5 yrs.	■
--	5-7 yrs.	■
--	7-10 yrs.	■
--	10+ yrs.	■

### Annualized Returns % as of 9/30/2021

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception 7/1997
Congress Short-Term Fixed Income (Gross)	0.00	-0.40	-0.37	3.30	1.81	1.61	3.83
Congress Short-Term Fixed Income (Net)	-0.07	-0.58	-0.62	3.04	1.56	1.35	3.59
Benchmark <sup>2</sup>	0.02	-0.46	-0.45	3.29	1.81	1.58	3.66

<sup>2</sup>Prior to April 1, 2014 the benchmark was the Barclays Capital 1-5 Year U.S. Gov't/Credit A+ Index. Effective April 1, 2014 the benchmark is the Bloomberg US Treasury 1-5 Year.

Data is as of 9/30/2021. Sources: Congress Asset Management, Bloomberg Finance L.P., and Morningstar Direct. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings and sector weightings 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. <sup>1</sup>The information shown is for a representative account as of 9/30/2021. Actual client account holdings and sector allocations may vary. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors, own all proprietary rights in the Bloomberg Indices. Bloomberg neither approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith. and (ii) Licensee shall not use or distribute Data or Derived Data in any manner that, in Licensor's good faith judgment, adversely affects Bloomberg's (or any of its Data Providers') ability to license the Data or would cause the use and distributions thereof to be a functional source of, or a substitute for, data otherwise commercially available from Bloomberg or any of its Data Providers.

## Top 10 Corporate Issuers % as of 9/30/2021

United Parcel Service, Inc.	2.20
Bank of America Corp.	2.19
GlaxoSmithKline Plc	2.19
McDonald's Corp.	2.19
Comcast Corp.	2.16
AT&T, Inc.	2.16
Chevron Corporation	2.15
Pfizer Inc.	2.15
Caterpillar, Inc.	2.14
Royal Dutch Shell Plc	2.13

## Investment Philosophy

Our investment philosophy for short-term fixed income management emphasizes a unique and defined tactical allocation approach to fixed income management, with the following strategic and tactical factors:

Strategic:	Tactical:
> Global Macro Considerations	> Security Selection
> Yield Curve Management	> Relative Valuation
> Sector Considerations	> Break-even analysis vs. risk free investments

## Investment Process

- We seek to add value through the following five step process:
  - Determining global macro trends and credit market impact
  - Controlling interest rate risk through management of yield curve exposure
  - Integrating proprietary research, quantitative analysis, and break-even screens
  - Selecting credits based on deep fundamental credit research and relative valuation
  - Continuing the process and reviewing on an active daily basis
- Portfolio managers utilize an array of proprietary analytical tools: Fundamental credit models
  - Relative valuation models
  - Pre-and post-trade scenario models
  - Detailed benchmark comparison model

- Fixed Income strategy is based on the decision of the Fixed Income Investment Policy Committee. Implementation of the strategy is based upon the decision of the Portfolio Manager(s).

## Portfolio Construction

- <75% exposure to non-government securities to maintain sufficient liquidity
- No non-government security will exceed 5% of total market value

## Sell Discipline

- Security no longer meets established risk/reward criteria
- Fundamental deterioration of the credit quality of the security

## Congress Asset Management Co. Short-Term Fixed Income Composite 1/1/2011 - 12/31/2020

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Benchmark*	Composite Gross 3-Yr annualized ex-post St Dev (%)	Benchmark* 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	4.3	4.1	4.4	1.7	1.7	≤5	n/a	208	10,746	5,523	16,269
2019	4.3	4.0	4.3	1.4	1.4	≤5	n/a	162	8,445	4,083	12,528
2018	1.5	1.2	1.5	1.4	1.5	≤5	n/a	156	7,102	3,132	10,234
2017	0.6	0.4	0.7	1.4	1.4	≤5	n/a	176	7,272	3,274	10,546
2016	1.1	0.9	1.0	1.4	1.4	≤5	n/a	166	5,693	2,445	8,139
2015	1.0	0.7	0.9	1.3	1.2	≤5	n/a	223	5,941	1,153	7,094
2014	1.5	1.3	1.3	1.1	1.0	≤5	n/a	312	6,328	1,121	7,449
2013	-0.1	-0.3	0.1	1.3	1.1	6	0.07	676	6,489	978	7,467
2012	1.8	1.5	1.8	1.4	1.3	6	n/a	858	6,755	743	7,498
2011	2.7	2.4	3.1	1.6	1.6	6	n/a	868	6,329	685	7,014

\*Prior to April 1, 2014 the benchmark was the Bloomberg US Government/ Credit 1-5 Years A+ Index. Effective April 1, 2014 the benchmark is the Bloomberg US Treasury 1-5 Year Index. #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. Composite performance results and total firm assets managed by Jeffrey Porter, from July 1, 2002 to March 15, 2010 were realized while employed at Prelude Asset Management LLC. 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 Short-Term Fixed Income Composite was created in September 2009 and the inception date is July 1, 1997. The composite includes all fully discretionary portfolios with a value over \$250 thousand (US dollars) managed in the short-term fixed income style for a minimum of one full month. Credits must not have an average life in excess of 5 years. At the time of purchase, credit ratings of individual securities should be rated A3/A- or higher by at least two Nationally Recognized Credit Rating Agencies. Non-US Government issuers should constitute 5% or less on an individual issue concentration at the time of purchase. Prior to January 1, 2017 the composite minimum was \$500 thousand (US dollars). Prior to January 1, 2015 the composite minimum was \$1 million (US dollars). Prior to October 1, 2013 there was no minimum value for inclusion. Accounts with wrap commissions are excluded from the composite. The composite benchmark is the Bloomberg US Treasury 1-5 Year Index. Effective April 1, 2014 the Short-Term Fixed Income benchmark was changed from the Bloomberg Barclays US Government/ Credit 1-5 Years A+ Index to the Bloomberg US Treasury 1-5 Year Index to better represent the strategy. 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. Net of fees returns are calculated by reducing gross returns by 1/4th of the highest stated management fee, which is 0.25%, applied quarterly. Accruals for fixed income 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. For 2014, 2015 and 2016 the benchmark three-year annualized ex-post standard deviation calculation is based off a blend of the previous 36 months of returns of the indices that were in use for the respective periods.

Fee Schedule: The Short-Term Fixed Income fee schedule is as follows: 0.25% for first \$5-25 million, 0.20% for next \$25 million, 0.15% for next \$25 million and 0.10% for \$75 million and up. The above 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 0.25% annual fee deducted quarterly would earn a 9.7% annual net return due to compounding. Prior to April 2014 one account in the Short-Term Fixed Income Composite paid a performance-based fee.

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.