

# BALANCED STRATEGY

Our Balanced Portfolio strives to provide both income and capital growth by investing in high quality bonds and securities. Consistency of approach and adherence to sound fundamental analysis is the basis of our conservative investment process.

## Company Snapshot

Company Assets	\$15.8b
Founded	1985

## Portfolio Construction

Investment Oversight Committee current allocation: 60% equities, 40% bonds

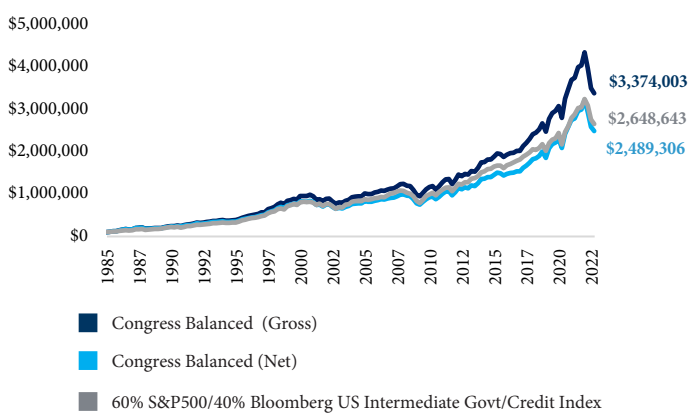
35 to 45 equity securities per portfolio

Equity industry exposure not to exceed 25% and no more than 5% to any one stock, in general

Bonds have a weighted average quality of Aa3 and maturities in the intermediate range

Fully invested with a cash allocation not in excess of 5%

## Growth of \$100,000 1/1/1985 through 9/30/2022



## Annualized Returns % as of 9/30/2022

Performance is preliminary and subject to change at any time.

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception 1/1/1985
Congress Balanced (Gross of Fees)	-3.6	-22.3	-16.2	4.5	8.0	8.6	9.8
Congress Balanced (Net of Fees)	-3.7	-22.6	-16.6	4.0	7.5	8.0	8.9
Benchmark <sup>1</sup>	-4.0	-18.2	-13.0	4.6	6.0	7.6	9.1

<sup>1</sup>Blended Benchmark: 60% S&P500/40% Bloomberg US Intermediate Govt/Credit Index

## Equity Portfolio Characteristics<sup>2</sup> as of 9/30/2022

	Large Cap Growth	S&P500
Number of Equity Holdings	41	503
Median Market Cap (b)	\$76.6	\$27.0
YTD Turnover %	16.2	--
P/E - Trailing 12 Months	20.6x	16.9x
Price/Book	5.3x	3.6x
Yield %	1.52	1.73

## Fixed Income Portfolio Characteristics<sup>2</sup> as of 9/30/2022

	Intermediate Fixed	BUIGCI
Average Bond Rating	Aa2	AA1/AA2
Average Maturity (yrs.)	4.12	4.28
Average Duration	3.70	3.86
Average Coupon %	2.56	2.17
Average Yield to Maturity	4.50	4.61

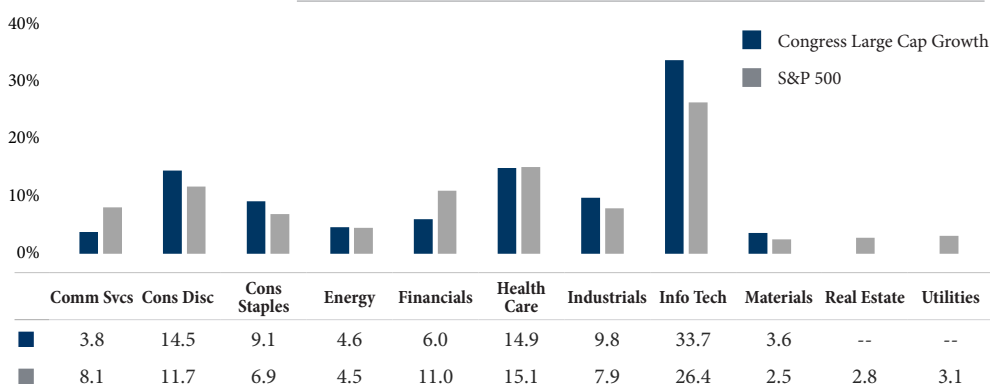
## Risk/Return Analysis as of 9/30/2022

	Balanced (Gross)	Balanced (Net)	Benchmark <sup>1</sup>
Standard Deviation %	10.92	10.90	9.99
Beta	1.03	1.03	1.00
Sharpe Ratio	0.63	0.55	0.61
Alpha	0.54	-0.28	--

<sup>1</sup>Blended Benchmark: 60% S&P500/40% Bloomberg US Intermediate Govt/Credit Index

Top 10 Equity Holdings<sup>2</sup> % as of 9/30/2022

Apple Inc.	4.5	40%
Costco Wholesale Corporation	3.7	30%
Synopsys, Inc.	3.6	
Pioneer Natural Resources Co.	3.5	20%
Microsoft Corporation	3.3	
O'Reilly Automotive, Inc.	3.2	10%
UnitedHealth Group Inc.	3.2	
Amazon.com, Inc.	3.2	
PepsiCo, Inc.	3.1	
Darden Restaurants, Inc.	3.0	
<b>Total:</b>	<b>34.2</b>	

GICS Sector Allocation<sup>2</sup> % ex Cash as of 9/30/2022

<sup>2</sup>The information shown is for a representative account as of 9/30/2022. Actual client account holdings and sector allocations may vary.

**Definitions:** S&P500 is a market-capitalization weighted index, which measures price movements of the common stock of 500 large U.S. companies within leading industries. Intermediate Government Credit Index is a [The Bloomberg US Intermediate Govt/Credit Index](#) tracks the performance of intermediate term U.S. government and corporate bonds. You cannot invest directly in an index. [Standard Deviation](#) measures historical volatility [Beta](#) measures the volatility of a portfolio in comparison to an index [Sharpe Ratio](#) uses standard deviation and excess return to determine reward per unit of risk [Alpha](#) compares the risk-adjusted performance of a portfolio to an index

## Congress Asset Management Co. Balanced Composite 1/1/2012 - 12/31/2021

Year	Total Return Gross of Fees%	Total Return Net of Fees%	60% S&P 500 40% BUIGCI Blend Return % (dividends reinvested)	CAM Recomm. Allocation %	Composite Gross 3-Yr St Dev (%)	60% S&P 500 40% BUIGCI Blend Return 3-Yr 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)
2021	17.5	17.0	15.9	65/35	11.0	10.4	34	1.10	50	12,778	8,018	20,796
2020	20.3	19.8	14.3	65/35	11.4	11.2	27	1.44	47	10,746	5,523	16,269
2019	24.5	23.9	21.3	65/35	7.6	7.1	26	1.66	44	8,445	4,083	12,528
2018	2.5	2.0	-2.0	65/35	7.0	6.3	21	0.67	32	7,102	3,132	10,234
2017	19.2	18.5	13.6	70/30	6.7	5.8	10	n/a	15	7,272	3,274	10,546
2016	4.7	4.0	8.1	70/30	7.3	6.3	6	n/a	7	5,693	2,445	8,139
2015	2.4	1.7	1.5	65/35	7.6	6.3	11	0.61	13	5,941	1,153	7,094
2014	8.0	7.3	9.4	65/35	7.1	5.5	15	0.77	20	6,328	1,121	7,449
2013	19.7	19.0	18.1	65/35	8.6	7.2	13	2.33	14	6,489	978	7,467
2012	9.2	8.6	11.1	65/35	9.9	8.8	18	0.42	23	6,755	743	7,498

#The "Total Firm Assets" column includes unified managed account (UMA) assets

Congress Asset Management claims compliance with the Global Investment Performance Standards (GIPS<sup>®</sup>) 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 – 12/31/21. The verification report(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 Balanced Composite was created on January 1, 1993 and the inception date of the composite is January 1, 1985, 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 \$500 thousand (US dollars) managed with the recommended asset allocation between large cap equities and fixed income set by the Investment Policy Committee for a minimum of one full month. The current recommendation is a 65/35 allocation and accounts with allocations falling within 15% of the recommendation are eligible for composite inclusion. Accounts with wrap commissions are excluded from the composite. Prior to September 1, 2005, the composite did not include taxable accounts, private client accounts, or accounts with less than \$1 million. For the Balanced Composite we present a custom benchmark, which is a 60/40 blend of the S&P 500 Index and Bloomberg US Intermediate Government / Credit Index. The custom benchmark is calculated by weighting the respective index returns on a daily basis. 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, a list of broad distribution pooled funds, and a list of limited distribution pooled fund descriptions are available upon request. Prior to January 1, 1993, the composite is not in compliance with GIPS.

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 Balanced 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 fixed income and 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

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<sup>®</sup> 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.