

Portfolio Commentary

Market Review

Rarely is there such dramatic change in one quarter. The fourth quarter of 2019 was the exception, with major policy developments in several arenas providing at least partial relief from the tensions festering in the summer. Domestically, the Federal Reserve Board (Fed) reduced its federal funds rate by one quarter of one percent during October, the third reduction since July, cementing the reversal of its raise one year prior. The Fed also committed to reflating its balance sheet once again, allaying fears of a credit crunch in short term investment funding circles. The uncharacteristically bold actions by the Fed signaled that they understood clearly the threats to the financial markets from higher rates and economic slowdowns in Europe and China.

The relaxation of trade tensions signaled that both the United States and China realized spiraling trade restrictions dampen sentiment and elevate uncertainty, hindering capital investment. Whether the détente lasts through the new year remains to be seen but a spirit of cooperation broke out in North America with the recently passed USMCA trade deal between the U.S., Mexico, and Canada.

Foreign governments and central banks took their cues from the Fed. To combat the economic pause experienced in 2019, central banks began expanding their balance sheets again, pumping money into the banking system to induce more investment. In addition, over the past few months, over 60 central banks cut interest rates including Mexico,

Russia, Turkey, and Brazil. Interest rate and short-term funding arrangements are perceived to be the quickest method to shore up sagging economies.

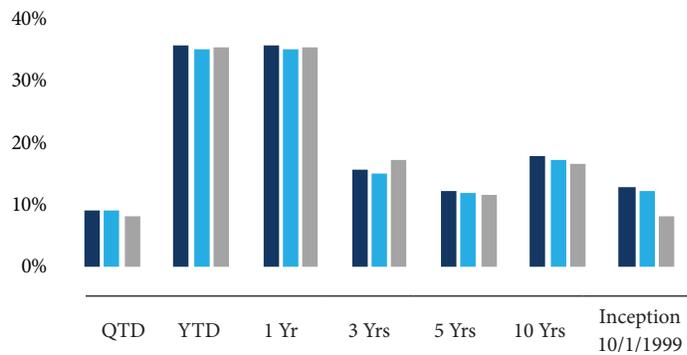
The uncoordinated policies had a salutary effect on U.S. markets. Stocks and bonds had their biggest simultaneous gains in over two decades. The S&P 500 returned about 30% for the year and bond prices rose, pushing the yield on the benchmark 10-year Treasury to under 2%. Oil and gold also returned over 10% for the year.

Performance Overview

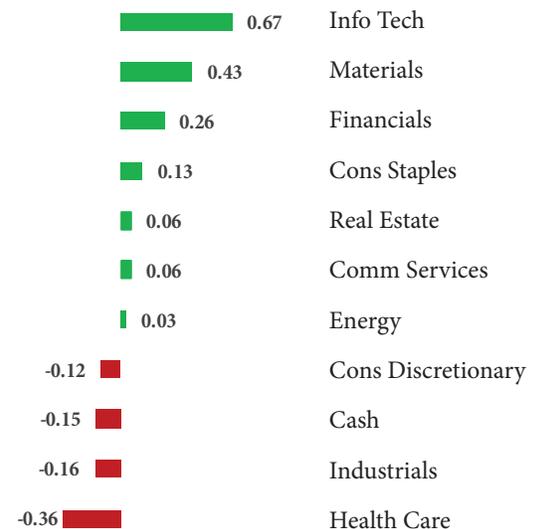
The Congress Mid Cap Growth Portfolio (“the Portfolio”) returned 9.15% (gross of fees) during the 4th Quarter, outperforming the Russell Midcap Growth Index (“the Index”), which returned 8.17%.

The Portfolio benefited from security selection in the Information Technology, Materials, and Consumer Staples sectors. However, security selection in Health Care, Consumer Discretionary, and an overweight relative allocation to Consumer Staples detracted from performance during the quarter.

Average Annualized Performance % as of 12/31/2019



1% Total Effect Portfolio vs. Index (9/30/2019 - 12/31/2019)



Information is as of 12/31/2019. Sources: Congress Asset Management, Factset, Russell Investments, and Informa Investment Solutions. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings and sector weightings throughout this presentation are subject to change and should not be considered investment advice or a recommendation to buy or sell a particular security. 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® presentation for the composite. Frank Russell Company (“Russell”) is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or underlying data contained in this communication. No further distribution of Russell data is permitted without Russell’s express written consent. Russell does not promote, sponsor or endorse the content of this communication.

*The information shown is for a representative account as of 12/31/2019. Actual client account holdings and sector allocations may vary.

4Q 2019 Attribution Highlights

Overall Contributors

- Security selection in Information Technology, Materials, and Consumer Staples

Overall Detractors

- Security selection in Health Care and Consumer Discretionary
- Overweight allocation to Consumer Staples

Top 5 Contributors

| STOCK | AVG. WEIGHT% | CONTRIBUTION% |
|------------------------------------|--------------|---------------|
| Diodes Incorporated | 2.75 | 0.99 |
| Generac Holdings Inc. | 3.71 | 0.98 |
| Skyworks Solutions, Inc. | 1.77 | 0.80 |
| Paycom Software, Inc. | 2.57 | 0.63 |
| Zebra Technologies Corp. - Class A | 2.82 | 0.62 |

Diodes Incorporated (DIOD) is a leading global manufacturer and supplier of high-quality application-specific standard products (ASSPs) within the broader discrete, logic, analog, and mixed-signal semiconductor markets. DIOD reported solid growth in its biggest end-markets (automotive and industrial) despite the weaker macro environment. The stock also benefited from the broad rally in the semiconductor sector during the quarter.

Generac Holdings, Inc. (GNRC) is a leading global designer and manufacturer of a wide range of power generation equipment. Generac reported a strong third quarter with continued momentum in residential home standby generator sales and commercial sales driven by demand from telecommunications companies ahead of the 5G launch. GNRC also benefited from the recent planned maintenance outages in response to the California wildfires and the strong interest in standby power it created. Generac raised organic growth guidance and showed gross margin expansion from increased pricing and lower commodity costs.

Skyworks Solutions, Inc. (SWKS) designs, manufactures, and distributes high performance analog semiconductor chips that support wired and wireless connectivity. SWKS' fourth quarter fiscal results indicated improving growth from its mobile business due to 5G content gains and more constructive iPhone production data. The stock also benefited from the broad rally in the semiconductor sector during the quarter.

Paycom Software, Inc. (PAYC) provides comprehensive cloud-based human capital and payroll management solutions. PAYC continues to see solid execution from its employee engagement strategy, which drove recurring revenue growth of 31% and margin expansion. Management noted that PAYC has only a 4% share of a \$20 billion market, implying there is significant potential for continued strong growth.

Zebra Technologies Corp. (ZBRA) is a global leader in the Automatic Identification and Data Capture (AIDC) and Enterprise Asset Intelligence (EAI) markets. Its products include mobile computing, data capture, radio frequency ID devices, barcode printing, and other automation products and services that help improve operational efficiency. The quarter was highlighted by a major new contract win with the U.S. Postal Service, which will initially cover 300,000 mobile computers. In addition, management laid out a solid strategy to mitigate the impact of List 4 tariffs that should enable the company to continue expanding margins with minimal business disruption.

Bottom 5 Contributors

*Sold during the quarter.

| STOCK | AVG. WEIGHT% | DETRACTION% |
|-------------------------------------|--------------|-------------|
| Etsy, Inc. | 1.63 | -0.44 |
| Church & Dwight Co., Inc. | 2.25 | -0.17 |
| SS&C Technologies Holdings, Inc.* | 0.31 | -0.15 |
| RBC Bearings Incorporated | 2.36 | -0.11 |
| Take-Two Interactive Software, Inc. | 1.92 | -0.05 |

Etsy, Inc. (ETSY) operates an online global marketplace for unique and creative goods such as shoes, clothing, bags, and accessories. Etsy lowered full year EBITDA guidance as part of its third quarter report due to pressure from new state sales taxes and a greater than expected negative impact from its free shipping initiative. Etsy also closed on its acquisition of Reverb.com and implemented its new Etsy Ads platform. The combination of all these moving pieces reduced investor confidence in management's ability to successfully deliver on their growth plans.

Church & Dwight Co., Inc. (CHD) develops, manufactures, and markets a broad range of consumer household, personal care, and specialty products. The company's third quarter results were highlighted by continued steady organic growth and margin expansion. However, its Consumer Domestic business experienced volume declines in OxiClean laundry and Arm & Hammer cat litter products. CHD also lowered full year total revenue guidance as the recently acquired Flawless brand will experience slower growth than previously expected in the second half of the year due to lower orders from a key customer, the delay in a product launch, and the timing of inventory purchases.

SS&C Technology Holdings, Inc. (SSNC) produces software products and software-enabled services that allow financial services providers to automate complex business processes and effectively manage information processing requirements. During the calendar quarter, poor earnings results and guidance from the company's second quarter fiscal year report continued to weigh on the stock. In addition, the company announced another material acquisition at the end of September which was viewed negatively by investors given its recent issues with acquisition integration.

RBC Bearings, Inc. (ROLL) designs, manufactures, and markets engineered precision bearings and products. RBC's second quarter fiscal year report showed positive results in its Aerospace and Defense business as supply chain pressures continue to moderate. However, the Industrial segment continues to experience weakness as oil and gas and mining customer orders were down. The stock was also impacted by Boeing's December announcement that it was halting production of the 737 MAX.

Take-Two Interactive Software, Inc. (TTWO) is a leading developer and publisher of video, computer, and mobile games. At the end of September, the company launched two key titles - Borderlands 3 and its annual NBA2K game. Indications throughout the quarter suggested an in-line launch for Borderlands 3 and a weak launch for NBA2K20 which has been important to recurring consumer spend growth over the last year. In addition, there is growing unease about the weaker slate of game launches expected for fiscal year 2021.

4Q 2019 Transaction Summary

Sector Allocation Changes

- Increased allocation to Health Care
- Decreased allocation to Industrials

Purchased

- WEX, Inc. (WEX) - Information Technology
- Varian Medical Systems, Inc. (VAR) - Health Care

Sold

- SS&C Technologies Holdings, Inc. (SSNC) - Information Technology
- Rollins, Inc. (ROL) - Industrials

Purchased

WEX, Inc. (WEX) is a leading global provider of corporate business-to-business payment solutions. The company is comprised of three primary businesses; Fleets (fuel cards and fuel management tools), Corporate Payments (electronic payments and corporate cards), and WEX Health (healthcare benefit account administration). With recent large competitive Fleet wins fully onboarded, revenues from this segment should drive sustainable growth. In addition, the company is well positioned to benefit from key secular trends towards card-based corporate accounts payable spending and increased usage of Health Savings Accounts.

Varian Medical Systems, Inc. (VAR) manufactures medical devices and software used to treat cancer and other medical conditions. The company is poised to benefit from the growing demand for radiotherapy as demographics are driving cancer rates higher and increasing penetration opportunities in emerging markets. In May 2017, Varian rolled out Halcyon which is a faster, more efficient system designed to enhance most aspects of image-guided volumetric intensity modulated radiotherapy. Halcyon was specifically designed to succeed in underpenetrated emerging markets and wherever value-based care is being implemented.

Sold

SS&C Technologies Holdings, Inc. (SSNC) produces software products and software-enabled services that allow financial service providers to automate complex business processes and effectively manage information processing requirements. A weaker market environment has magnified issues related to excess leverage and acquisition integration. In addition, management changed some of their internal measures for organic growth during the quarter which suggests a lack of confidence in their ability to reach prior growth targets.

Rollins, Inc. (ROL) is an international pest and termite control provider for both residential and commercial customers. Over the past year, ROL experienced slowing market share gains, increased competition, and slower industry growth. As a result, margins have contracted in the face of top line pressure and elevated expense levels.

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 two sales in the Portfolio during the quarter, and they are reflective of

this philosophy. These combined transactions essentially increased the Portfolio's Health Care weighting, while reducing its Industrials weighting.

Outlook

In our opinion the outlook for equities is positive. After a strong 2019 however, it is not difficult to postulate a decline in equity values. At the very least a corrective phase seems a reasonable expectation, and inflammatory headlines constantly offer a rationale for things going dreadfully wrong. Headlines make very poor investment strategy. The gain in stock values in recent years reflects fundamental developments, many of them positive for equity valuations. These include the declines in interest rates and inflation, the best job market since the 1960s, technology induced capacity increases and productivity gains, and an improving housing market. Stock values will increasingly follow their individual company and industry fortunes within a generally favorable overall environment for financial investments.

As we view the worldwide financial condition, we find the view of some that the rise in the price of financial assets represents a bubble about to burst, improbable. At virtually full employment, with rising real income wages, stable interest rates, and placid inflation conditions, the forces underpinning the rise are impressive. Despite political controversies, the United States remains an island of stability and a paragon of growth and opportunity in a destabilized world. This does not mean the coming year will be free of crises and just as in the past three years, sudden and steep corrections will occur. A focus on fundamental and a longer-term horizon will serve investors best in this environment.

Congress Asset Management Co. Mid Cap Growth Composite

1/1/2010 - 12/31/2019

| 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 Assets End of Period # (\$ millions) |
|------|-----------------------------|---------------------------|--|--|---|----------------------|--------------------|--|---|---|
| 2019 | 35.8 | 35.2 | 35.5 | 12.9 | 13.9 | 558 | 0.49 | 954 | 8,445 | 12,528 |
| 2018 | -3.5 | -3.9 | -4.8 | 12.2 | 12.8 | 506 | 0.45 | 850 | 7,102 | 10,234 |
| 2017 | 17.7 | 17.2 | 25.3 | 10.8 | 10.9 | 447 | 0.65 | 763 | 7,272 | 10,546 |
| 2016 | 13.9 | 13.3 | 7.3 | 12.0 | 12.2 | 105 | 0.54 | 431 | 5,693 | 8,139 |
| 2015 | 1.9 | 1.4 | -0.2 | 11.4 | 11.3 | 50 | 0.42 | 221 | 5,941 | 7,094 |
| 2014 | 13.0 | 12.4 | 11.9 | 10.8 | 10.9 | 41 | 0.51 | 145 | 6,328 | 7,449 |
| 2013 | 37.9 | 37.3 | 35.7 | 13.2 | 14.6 | 35 | 0.38 | 84 | 6,489 | 7,467 |
| 2012 | 10.4 | 9.8 | 15.8 | 17.0 | 17.9 | 26 | 0.46 | 43 | 6,755 | 7,498 |
| 2011 | 12.7 | 12.1 | -1.7 | 19.1 | 20.8 | 22 | 0.67 | 30 | 6,329 | 7,014 |
| 2010 | 40.2 | 39.4 | 26.4 | | | 15 | 0.65 | 20 | 6,416 | 6,678 |

#The "Total Firm Assets" column is provided as supplemental information and also 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 – 12/31/19. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Mid Cap Growth Composite has been examined for the periods 10/1/99 – 12/31/19. 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 Mid Cap Growth Composite was created on October 1, 1999. This inception date 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 accounts 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 complete list and description of all firm composites is available upon request.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars. Monthly composite performance is calculated as an asset-weighted return using the aggregate method. This method aggregates market values and cash flows for all accounts and treats the composite as if it were one account. Monthly composite returns are geometrically linked to produce a time-weighted annual return. Beginning June 1, 2015 the composite is valued daily. Prior to that date, the composite was re-valued on each date that a cash flow exceeded 10% of the total market value of the composite. 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 the highest management fee in the Mid Cap Growth composite, which was 1.00%. 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. It is not presented for 2010 as it is not required for periods prior to 2011.

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 portfolios, calculating performance, and preparing compliant presentations 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.