Portfolio Commentary

Small Cap Growth

Market Review

We ended 2021 seemingly how it began, mired in another COVID wave. This one driven by the new Omicron variant. Pandemic fatigue is spreading as fast as the new variant itself. Is it different this time? Probably. Omicron appears to spread faster but with less severity. Still, after almost two years, it remains tempting to apply fantastic headlines designed to lure readers to an unfavorable economic view. This would be a mistake as economic momentum remains strong. Omicron tempered economic activity post-Thanksgiving, but this is likely a stumble, not a fall.

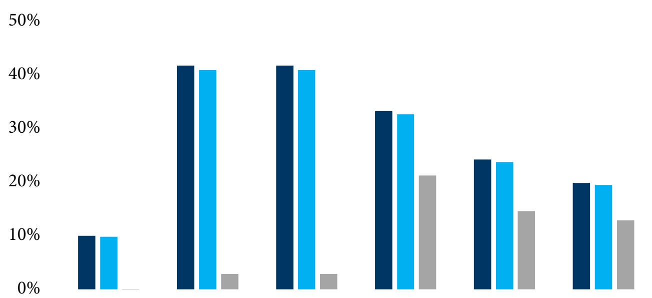
Financial asset returns for 2021 reflected both the strong recovery from the initial pandemic lockdowns and increased inflation. The S&P 500 returned over 28%, driven in large part by big technology companies. While not reflected in broader market returns, many other companies reported strong operating results bolstered by pricing power. In contrast to stocks, the bond market displayed more volatility. Yields on the bellwether 10-year U.S. Treasury Note rose as inflation expectations increased, then fell with the onset of Omicron and the Federal Reserve Bank's (Fed) plan to end bond purchases in March rather than June. The 10-year U.S. Treasury Note ended the year with a 1.5% yield.

Performance Overview

The Small Cap Growth Portfolio ("the Portfolio") returned 9.97% (gross of fees) during the fourth quarter, while the Russell 2000 Growth Index ("The Index") returned 0.01%.

The Portfolio benefited from security selection in Health Care, Consumer Discretionary, and Industrials. However, security selection in Financials and Information Technology detracted from performance. Finally, an underweight allocation to the Real Estate sector slightly detracted from performance during the quarter.

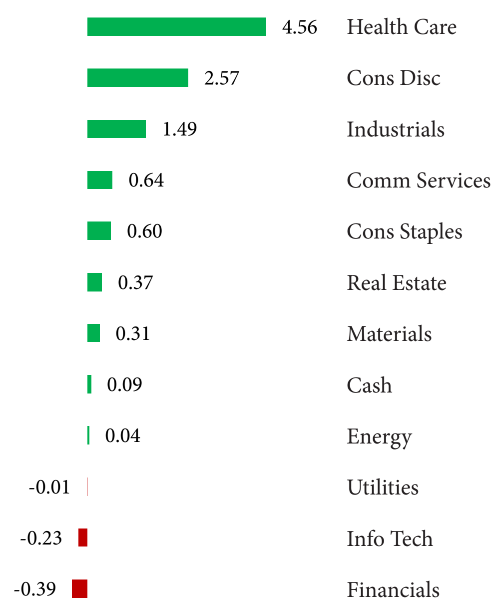
Average Annualized Performance % as of 12/31/2021



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	Inception 7/1/2013
Small Cap Growth (Gross)	10.0	41.7	41.7	33.2	24.2	19.8
Small Cap Growth (Net)	9.8	40.9	40.9	32.6	23.7	19.4
Russell 2000 Growth*	0.0	2.8	2.8	21.2	14.5	12.8

Performance is preliminary and subject to change at any time

% Total Effect Portfolio vs. Index[1] (9/30/2021 - 12/31/2021)



Information is as of 12/31/2021. 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. 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. 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. [1]The information shown is for a representative account as of 12/31/2021. Actual client account holdings and sector allocations may vary.

4Q 2021 Attribution Highlights

Overall Contributors

- Security selection in Health Care, Consumer Discretionary & Industrials

Overall Detractors

- Security selection in Financials and Information Technology
- Underweight allocation to Real Estate

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight%	Contribution%
Boot Barn Holdings, Inc.	4.86	1.46
Saia, Inc.	1.51	1.16
Onto Innovation, Inc.	2.81	0.96
EastGroup Properties, Inc.	2.24	0.74
Skyline Champion Corp.	2.63	0.66

Detractors

Stock	Avg. Weight%	Detraction%
Cerence, Inc.	1.24	-0.82
InMode Ltd.	0.11	-0.52
American Software, Inc.	1.20	-0.46
1-800-FLOWERS.COM, Inc.	1.53	-0.39
SPS Commerce, Inc.	1.45	-0.38

Boot Barn Holdings, Inc. (BOOT) is a differentiated retailer specializing in western lifestyle and work-related footwear and apparel. Same-store sales accelerated and exhibited continued resilience, implying industry tailwinds and market share gains. Admirable execution resulted in healthy profitability, benefiting from strong pricing and an increasing mix of private brands. Sales momentum is expected to continue going forward on further reopening of the economy, market share gains, and oil and gas market activity.

Saia, Inc. (SAIA) is a freight transportation company with a top ten position in the fragmented market of less-than-truckload shipping, primarily operating in the South and Midwest regions of the U.S. Expansion initiatives and share gains continue to drive results above expectations. Profit margins are at a record level fueled by pricing and accelerating volume growth. Expansion initiatives are on track, with management planning to open 10-15 new terminals in 2022.

Onto Innovation, Inc. (ONTO) provides semiconductor fabrication equipment, including process control, metrology, and lithography systems and software used by semiconductor wafer and advanced packaging device manufacturers. Revenue accelerated sequentially despite supply chain headwinds as the company is benefiting from increased new product adoption by its customers in specialty devices and the advanced packaging business. Guidance calls for these trends to continue, with market expansion opportunities and secular growth trends in the semiconductor market.

EastGroup Properties, Inc. (EGP) is a REIT focused on multi-tenant industrial spaces that provide for last mile e-commerce and shallow-bay industrial distribution. Strong growth in rents on renewals and new leases continues to support revenue growth. The company also raised guidance as demand continues to grow for e-commerce and warehouse distribution.

Skyline Champion Corp. (SKY) is a leading producer of factory-built housing in the U.S. and Canada. For years, there has been a growing demand for factory-built homes, a result of cost and speed advantages versus traditional site-built homes together with improved financing. Growth continues to be supported by historically low home inventory levels, a rapidly growing base of customers looking for affordable homes, and a more favorable financing environment. Management expects solid growth next year despite tougher comps, benefiting from record backlog and increased production capacity.

Cerence, Inc. (CRNC) is a global leader in the rapidly growing automotive virtual assistant market. CRNC enables touchless interaction between vehicles, drivers/passengers, and the broader digital world. Although quarterly results were better than expected, guidance was weak due to supply chain disruptions in the auto industry and revenue impact from a legacy contract transition. Despite these short-term headwinds, management reiterated their FY24 targets given strong booking activity. Later in the quarter, the stock came under pressure due to the departure of its CEO.

InMode, Ltd. (INMD) is a leading global medical aesthetics company; its devices enable minimally invasive procedures using radio frequency technology. The stock came under pressure in the early part of the quarter following exceptional performance during the first nine months of the year. The stock was removed from the Portfolio having exceeded the Portfolio's market cap guidelines.

American Software, Inc. (AMSWA) provides supply chain optimization and retail planning solutions to consumer product, retail, and durable goods customers. The company saw a slowdown in its cloud services business as customers were dealing with acute supply chain challenges; a few sizable deals were pushed out of the quarter. These deals eventually closed, Management continues to expect revenue growth to reach low double-digits by the end of fiscal year 2022 and accelerating to mid-teens and higher by fiscal year 2023.

1-800-FLOWERS.COM, Inc. (FLWS) is an e-commerce company focused on gourmet food, floral and personalized gifts. Despite supply chain issues, labor shortages, and tougher comps, the company delivered solid quarterly results. The stock came under severe pressure during the later part of the quarter as companies that have benefited from the pandemic sold off. Long term, e-commerce traction and market share gains have management targeting sustained double-digit organic growth.

SPS Commerce, Inc. (SPSC) provides supply chain management solutions through an online software suite to retailers, suppliers, and logistics customers. Results continue to be fueled by increased adoption of SPSC's solutions as retailers and suppliers seek to overcome supply chain challenges. The stock came under pressure despite strong quarterly results following significant price appreciation since its last earnings release. The stock was removed from the Portfolio having exceeded the Portfolio's market cap guidelines.

4Q 2021 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Increase in Information Technology • Decrease in Consumer Discretionary	• Inari Medical, Inc. (NARI) - Health Care • American Software, Inc. (AMSWA) - Information Technology • Cerence, Inc. (CRNC) - Information Technology • Shyft Group, Inc. (SHYF) - Industrials	• Inmode, Ltd., Inc. (INMD) - Health Care • SPS Commerce, Inc. (SPSC) - Information Technology • Fox Factory Holding Corp. (FOXF) - Consumer Discretionary • Saia, Inc. (SAIA) - Industrials

Purchased

Inari Medical, Inc. (NARI) is a medical device company focused on the interventional treatment of venous diseases. It focuses on treating Venous Thromboembolism, including Deep Vein Thrombosis and Pulmonary Embolism. The potential annual addressable U.S. market opportunity for NARI's products is approximately $3.8 billion. Operationally, management is seeking to rapidly expand the company's commercial footprint, build a robust catalog of clinical data, and improve an already solid product set. Financially, gross margins remain very strong, with management reinvesting into sales and research to further penetrate the market.

American Software, Inc. (AMSWA) provides supply chain optimization and retail planning solutions to consumer product, retail, and durable goods customers. AMSWA is benefiting from increasing supply chain investments and gaining traction with new customers, who are subscribing to multiple solutions. As supply chain initiatives shift from crisis management towards planning activity, management expects growth rates to reach low double digits by the end of fiscal year 2022 and accelerating to mid-teens and higher by fiscal year 2023.

Cerence, Inc. (CRNC) is a global leader in the rapidly growing automotive virtual assistant market. CRNC enables touchless interaction between vehicles, drivers/passengers, and the broader digital world. As the demand for voice and voice-enabled platforms increases, CRNC will benefit due to its approximately 75% market share and relationships with all the major auto OEMs or their tier 1 suppliers. Additionally, the accelerating move to cloud auto connectivity should result in higher margins, increased recurring revenue, and greater R&D leverage.

Shyft Group, Inc. (SHYF) is a niche market leader in specialty vehicle manufacturing and assembly for commercial delivery and the recreation/specialty vehicle markets. SHYF products include walk-in vans, truck bodies, and specialty chassis used across various end markets. As a leader in fragmented markets, SHYF is benefiting from a cyclical recovery paired with secular tailwinds in e-commerce that should lead to double-digit top-line growth over the next few years as it capitalizes on positive backlog trends. Management is also exiting lower-margin businesses and investing in innovation and capacity expansion to service its core business.

Sold

InMode, Ltd. (INMD) is a leading global medical aesthetics company; its devices enable minimally invasive procedures using radio frequency technology. The stock was sold after it exceeded the Portfolio's market cap guidelines.

SPS Commerce, Inc. (SPSC) provides supply chain management solutions through an online software suite to retailers, suppliers, and logistics customers. The stock was sold after it exceeded the Portfolio's market cap guidelines.

Fox Factory Holding Corp. (FOXF) is a manufacturer of high-performance suspension products for the mountain bike and powered vehicle end markets. The stock was sold after it exceeded the Portfolio's market cap guidelines.

Saia, Inc. (SAIA) is a freight transportation company with a top ten position in the fragmented market of less-than-truckload shipping, primarily operating in the South and Midwest regions of the U.S. The stock was sold after it exceeded the Portfolio's market cap guidelines.

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 four purchases and four sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Information Technology weighting, while reducing the Consumer Discretionary weighting.

Outlook

We expect the economy to maintain its current pace or strengthen as 2022 progresses. The outlook for the financial markets is more nuanced. Much depends on whether and how much inflation recedes from an elevated 7% November CPI report. Much also depends on growth outside the U.S. The growth/inflation paradigm is arguably more complex than at any time since the end of World War II.

The economic resurgence that started in the spring of 2020 has been remarkable. Domestic GDP registered $23.2 trillion at an annual rate in the third quarter, $1.7 trillion above the 2019 level, the pre-COVID high. Economic activity has slowed with the spread of Omicron, but this likely represents a blip, nothing more. The domestic economy has a solid foundation, led by the consumer but bolstered by both businesses spending to satiate demand and also augmented by government stimulus plans.

Borrowing from Newton's Three Laws of Motion, the economy will not change its expansionary trajectory without a force acting against it. The economy's velocity is supported by almost two years of embedded fiscal and monetary stimuli. Inflation and higher interest rates are forces that could hinder the trajectory but currently do not have enough mass to do so. Further, curtailment of some government transfer programs is unlikely to alter the expansionary trajectory.

The most important force supporting the economy is the combination of jobs, wages, and personal income. The U.S. has a scarcity of labor. Employment surveys indicate 11 million open jobs with far fewer available

Information is as of 12/31/2021

workers. The shortage will only be partially solved by workers returning post-COVID. Scarcity is forcing employers to pay more, pushing up wages. Personal income was up 7.4% on a year-over-year basis in November 2021. Consumer Net Worth, a broader indicator of financial health, was up 18% over last year.

Other forces continue to indicate continued growth into the New Year. Corporate profits were up 8.4% in the third quarter. Importantly, credit via the bond market and bank loans remains accessible, supporting investment in longer term, productive assets.

Rising wages may be reversing a decades-long secular decline in the labor share of economic output. Up to now, pricing power has mitigated increased labor costs, forestalling the deleterious effects on margins. The reversal of this trend may pose a challenge to profit margins in 2022 and beyond.

Finally, government stimulus should continue to support growth. The November passage of a $1 trillion infrastructure package should impact 2022/2023 with increased federal spending. Regardless as to whether President Biden's Build Back Better plan is passed or not, government and municipal spending will continue to increase.

The sanguine domestic economic outlook cannot be directly applied to the financial markets. As forward-looking instruments, both the stock and bond markets try to anticipate what is around the bend. Entering 2022, two risks appear more prominent now than at any time in the recent past: inflation and China's worrisome economic path.

On the domestic front, the Fed has acknowledged that the level of inflation experienced in 2021, if sustained, would be a detriment to the U.S. economy. Accordingly, it accelerated its plan to curb bond purchases and intimated it may raise short term interest rates as early as the spring. Whether that is enough to limit inflation to the Fed's preferred level of 2% or so remains to be seen. Sustained inflation above 2% would eventually crimp profit margins and would likely result in higher long term interest rates and would weigh on stock prices.

As the world's second largest economy, China has large coattails. China's third quarter GDP grew by only 4.9%, well below its historical average. A slew of Chinese real-estate developers declared bankruptcy. Real estate represents about 30% of China's economy, a far greater level than seen in the U.S. As such, it has outsized importance. With real-estate demand waning, China could be dragged into a recession while facing international sanctions on human rights abuses. China's lack of transparency is especially troubling when its economy is in flux, as it is now.

The New Year holds much promise, including the potential for COVID to be downgraded to endemic status. The U.S. economy and by extension the consumer should continue to do well. Stock investors are likely to experience more volatility with a focus on profit margins and a heightened interest in price-earnings multiples. Investment grade bonds should continue to be a modest source of current income and offer stability relative to other assets should interest rates rise.

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.