CONGRESS ASSET MANAGEMENT COMPANY

4Q 2022

BALANCED STRATEGY

Portfolio Commentary

Market Environment

The financial markets were relatively calm as 2022 ended, belying the most turbulent year since the 2008 Great Financial Crisis. 2022 will be remembered as the year the pandemic-induced economic haze began to lift. The clearer view accentuated some troubling trends: the stubborn persistence of inflation, Russia's continuing aggression in Ukraine and antagonism towards the West, and the ratcheting up of tension in trade rhetoric and restrictions between the U.S. and China. Rising rates punished markets with little solace found in stocks, bonds, or alternative investments. The S&P 500 was down 19% for the year and the Bloomberg US Aggregate Index fell 13%, the first time in at least 50 years that both stocks and bonds had negative returns.

Inflation has been a major driver of market volatility and we believe it will continue to have an outsized effect on the markets and economy in 2023. The Federal Reserve (Fed) raised the federal funds rate seven times over the course of the year, a cumulative increase of 4.25%, to slow economic growth and fight rampant inflation. While the full impact of these rate hikes has yet to be felt, recent indicators suggest we are past peak inflation, a sign that the Fed's efforts may be paying off. Core Personal Consumption Expenditures (PCE), the Fed's preferred measure of inflation, has fallen in each of the last 4 months. The 3-month annualized rate in November was 3.6%, the lowest since February of 2021.

Consumer demand for goods and housing should continue to weaken, alleviating some cost pressures. However, the labor market remains out of sync with a shortage of workers even though wages and compensation continue to grow at an accelerated rate. The Fed would like to see the unemployment rate increase from 3.7% to over 4% to bring this back in balance, in theory easing compensation costs. Fine tuning the unemployment rate however is an inexact art, and the Fed risks damaging the American worker should they be too aggressive.

Though trending down, inflation remains high, and the Fed expects to continue raising rates in 2023. This Fed tightening cycle, like all the prior ones, is a delicate experiment – too much tightening could cause a recession, too little and inflation could resurge, wreaking its own havoc. As it stands now, the Fed Funds rate target at 4.25% is above the 3.85% 10-year US Treasury yield, a point at which tightening cycles have ended in the past. We expect this cycle will wind down early in 2023, allowing the economy to find its natural footing with less Fed intervention.

Performance Summary

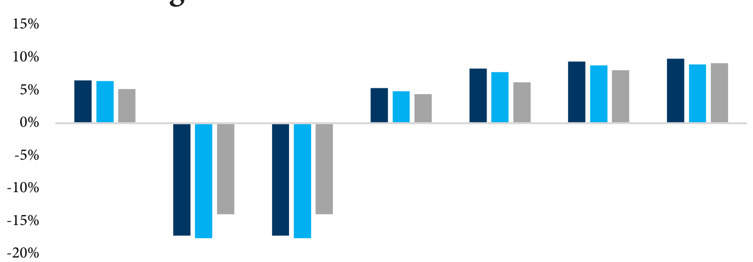
The Congress Balanced Portfolio ("The Portfolio") returned 6.6% (gross of fees) and 6.5% (net of fees) during the quarter, while the Portfolio's blended index, 60% S&P 500 / 40% Bloomberg US Intermediate Government/Credit Index ("The Index") returned 5.3%.

Portfolio Discussion

Aided by improving supply chains and falling commodity costs, inflation, while still elevated, has come off the torrid pace seen last summer resulting in a decline in long term yields. The Federal Reserve remains committed to getting inflation to a more reasonable level primarily by increasing the fed funds rate, a circumstance that has resulted in a deeply inverted yield curve. The immediate economic, geopolitical, and corporate earnings outlooks also remain highly uncertain.

Given the dual goal of balanced accounts, growth and stability, our recommended allocation remains 60% equity and 40% fixed income.

Average Annualized Performance % as of 12/31/2022



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Balanced (Gross)	6.6	-17.2	-17.2	5.4	8.4	9.5	9.9
Balanced (Net)	6.5	-17.5	-17.5	4.9	7.8	8.8	9.0
Benchmark[1]	5.3	-13.9	-13.9	4.5	6.3	8.1	9.2

[1]Blended Benchmark: 60% S&P500/40% Bloomberg US Intermediate Govt/Credit Index

Performance is preliminary and subject to change at any time.

Equity Sleeve

Top 5 Equity Contributors/Detractors[2]

Stock	Avg. Weight%	Contribution%
Caterpillar, Inc.	1.31	0.48
O'Reilly Automotive, Inc.	2.18	0.44
Roper Technologies, Inc.	1.63	0.32
Eaton Corp. Plc	1.69	0.31
Procter & Gamble Company	1.62	0.30

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. Production volume improvement coupled with price increases resulted in better-than-expected results. In addition, orders and backlog remain solid for the company's mining and oil and gas offerings.

O'Reilly Automotive, Inc. (ORLY) is one of the largest sellers of aftermarket automotive parts, tools, and accessories. The company's solid execution of its initiatives along with industry tailwinds fueled market share gains. As a result, earnings guidance for the full year was raised.

Roper Technologies, Inc. (ROP) designs and develops software-as-a-service and licensed products for the healthcare, transportation, food, energy, water, education, and academic research markets. ROP has a history of making accretive acquisitions and its industrial profile has become more software-oriented in recent years. The company continues to generate double-digit organic growth led by its recurring software revenues, and margins have remained stable.

Eaton Corp. (ETN) is a power management company that provides sustainable solutions. Solid order trends in the data center, utility, industrial, and commercial end markets continue to fuel the company's performance. Additionally, management provided a bullish growth outlook for 2023 based on momentum in secular drivers including electronification and digitization.

Procter & Gamble Co. (PG) multinational consumer goods corporation offering major brands such as Tide, Bounty, Charmin, Pampers, Mr. Clean, Vicks, Crest, Oral-B, Old Spice, Pantene, and Gillette. PG has been able to successfully adjust to the difficult inflationary environment and lockdown in China as it reported another solid quarter with double-digit organic growth. Consumers continue to see the value in PG's premium products.

Bottom 5 Equity Contributors/Detractors[2]

Stock	Avg. Weight%	Detraction%
Amazon.com, Inc.	1.12	-0.32
Alphabet, Inc. Class A	1.34	-0.10
Paycom Software, Inc.	1.59	-0.10
First Republic Bank	1.29	-0.10
Apple, Inc.	1.57	-0.09

Amazon.com, Inc. (AMZN) is the world's leading online retailer. Macro factors have pressured the company's businesses. In particular, Amazon Web Services (AWS) revenue was negatively impacted by an increased number of customers scrutinizing their tech spend. As a result, full-year guidance was lowered.

Alphabet, Inc. Class A (GOOGL) is a global technology leader focused on the way people connect with information. A weakened macro environment along with a strong dollar negatively impacted quarterly results. In addition, advertising on YouTube continues to slow as advertisers have pulled back on spending. On a positive note, growth in Google Cloud remains robust.

Paycom Software, Inc. (PAYC) is a leader in payroll and human capital management applications focused on enabling small and mid-market businesses to better manage the employment life cycle. The stock's underperformance can be primarily attributed to indications of a slowing labor market. On a positive note, PAYC reported better-than-expected quarterly results and raised full-year guidance.

First Republic Bank (FRC) engages in private banking, business banking, real estate lending, and wealth management. First Republic's reported third quarter was highlighted by continued strong loan growth, however, it experienced much higher funding costs which pressured net interest margins.

Apple, Inc. (AAPL) is the world's largest information technology company. China's COVID-19 restrictions have significantly weighted on AAPL's ability to produce its iPhones. Despite this headwind, the company continues to see demand for its iPhones, particularly the iPhone 14 Pro and the iPhone 14 Pro Max.

Fixed Income Sleeve

A duration mismatch with the benchmark strengthened relative performance due to the upward twist in the yield curve. The Portfolio's allocation to Industrial sector and Financial Sector corporate issues improved relative performance as these sectors outperformed. However, Security selection in US Treasuries, Industrial sector, and Financial Sector corporate issues weakened relative performance.

Top 5 Fixed Income Contributors/Detractors[2]

Issue	Avg. Duration	Contribution%
Unitedhealth Group Incorporated	7.40	0.16
Intel Corporation	6.18	0.14
Comcast Corporation	5.04	0.13
Bank Of America Corporation	4.49	0.12
Wells Fargo & Company	3.18	0.10

Bottom 5 Fixed Income Contributors/Detractors[2]

Issue	Avg. Duration	Detraction%
US Treasury June 2024	1.57	0.02
US Treasury October 2024	1.88	0.01
US Treasury August 2024	1.68	0.01
US Treasury March 2023	0.43	0.01
US Treasury October 2027	4.39	0.00

Information is as of 12/31/2022. Sources: Congress Asset Management, Bloomberg Finance L.P., Barclays Investments, and FactSet Research Systems. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings, sector weightings and securities identified as top contributors and detractors 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. The securities identified do not represent all the securities purchased, sold or recommended to clients. For information regarding the methodology used to select these holdings or to obtain a list showing the contributions of every holding in the strategy's representative account, which we believe reflects the Congress Balanced's Composite to both a current and/or prospective client, please contact us at 1-800-234-4516. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce investment performance. Past performance does not guarantee future results. [2]The information shown is for a representative account as of 12/31/2022. Actual client account holdings and sector allocations may vary.

Transactions

4Q 2022 Transaction Summary - Equity Sleeve

Sector Allocation Changes	Purchased	Sold
• Increase in Industrials • Decrease in Financials	• Northrop Grumman Corp. (NOC) - Industrials • Intuitive Surgical, Inc. (ISRG) - Health Care	• Bank of America Corp. (BAC) - Financials • Stryker Corporation (SYK) - Health Care

4Q 2022 Transaction Summary - Fixed Income Sleeve

Purchased	Sold
• US Treasury of October 2027 to extend duration and add yield	• US Treasury of March 2023 to extend duration

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Information is as of 12/31/2022

Manager Outlook

Equity Sleeve

Last year's broad sell-off reflects the lingering economic uncertainties around growth and inflation. We do not anticipate a similar experience in 2023. It was a painful year for most investors, but these watershed years can be cathartic. The zero-interest rate era is over, and the readjustment phase is well underway. Not coincidently, speculative investments that blossomed in the zero-rate era have cracked. Those, like FTX – built on manipulation, greed, and fraud – have collapsed. Fortunately, ancillary damage has been contained and the crypto correction will not be a contagion.

The bond market of 2023 should offer more stability. Last year's unprecedented interest rate rise was driven by the highest inflation levels in over 40 years. This seems unlikely to be repeated as inflation appears to be easing. Further, while bond yields have fallen recently, they remain near their highest levels in over a decade and offer investors better income prospects.

The outlook for stocks is more tenuous. Company profit margins will likely shrink as elevated costs have yet to be fully realized, but stock valuations are attractive especially if interest rates stabilize as expected. Technology stocks led the market in a low interest environment over the past few years. However, we anticipate market breadth to widen as shifting economic sands improve the prospects for other sectors, potentially altering stock market leadership in the coming year.

Overall, the risk of recession has cooled but continues to be elevated amidst tightening monetary and fiscal policy. Yet the underlying US economy has held up relatively well, especially against the backdrop of a looming global recession. While additional fiscal stimulus is unlikely with the return of a divided government, there is still a large amount of spending to be disbursed, which could provide a further tailwind. Though the broader economic outlook is uncertain, we remain confident opportunities for outsized and resilient earnings growth can be identified through bottom-up fundamental analysis. We believe a diversified portfolio of quality growth companies provides investors the best opportunity to participate in up markets and protect capital in down markets.

Fixed Income Sleeve

Examining performance for the past quarter, U.S. Government guaranteed debt underperformed Corporate bonds. In a similar trend to the previous quarter, both market segments showed modestly positive returns, near +2.0% for the quarter, with prices buoyed by falling interest rates and shrinking credit spreads. For the calendar year, Corporate bonds were edged by U.S. Government guaranteed debt for best returns. Within Corporate bonds, it should come as no surprise in these volatile times that lower quality issues underperformed higher quality issues over the year.

Looking forward, we expect the Fed to hike the federal funds rate another 50 to 75 basis points in the first quarter of the year and then step back to assess their position. We harbor concerns that the Fed's rapid pace of rate hikes may ultimately push the economy into a recession. This worry is buttressed by the fact that the full brunt of their hikes won't be fully digested by the economy until the second half of 2023 at the earliest. Given all of this, we expect yields to rise only slightly at the short end of the curve while the longer end will be volatile as the markets resolve their recession anxieties.

High quality, investment grade bonds offer an attractive opportunity as we look towards 2023. It is easy to be very bullish on bonds today, with three primary factors pointing to positive prospects. First, the Fed is near the end of their tightening cycle and the market should be able to easily digest even another 100 basis points of hikes should the Fed go that far. Second, inflation is trending down, broadening the appeal of bonds as a source of reliable income with real purchasing power. Third, yields have not been at this high level since the last quarter of 2007, perhaps the best curb appeal of all for bonds.

We continue to purchase liquid, high-quality bonds for our client's portfolios. Our adherence to our long-term strategy of thoughtful portfolio construction and measured security selection should be viewed as a benefit to our clients, both old and new. It is our desire for our client's portfolios to have safety, liquidity, and quality as primary qualities. Simply put, now is the time to consider investing in, or making additional investments in, your fixed income portfolio.

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®) 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® 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.