



Portfolio Commentary

DIVIDEND GROWTH PORTFOLIO

Market Review

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.

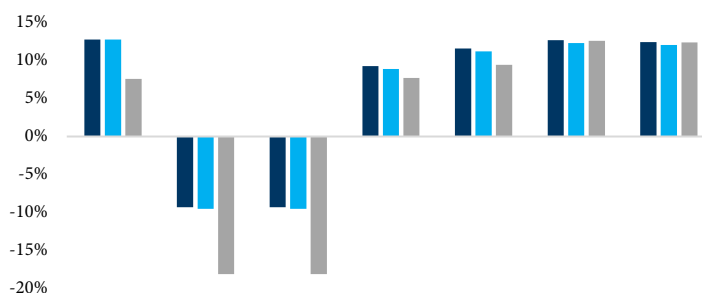
Though trending down, inflation remains high, and the Fed expects to continue raising rates in 2023. This Fed tightening cycle, like all the prior ones, is a delicate experiment – too much tightening could cause a recession, too little and inflation could resurge, wreaking its own havoc. As it stands 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 Overview

The Congress Dividend Growth Portfolio ("the Portfolio") returned 12.7% (gross of fees) and 12.7% (net of fees) during the quarter, while the S&P 500 returned 7.6%.

The holdings that contributed most to quarterly returns were EOG Resources, Inc., Chevron Corporation, Caterpillar, Inc., Nike, Inc., and Tractor Supply Company. The holdings that detracted the most were Broadridge Financial Solutions, Inc., Apple, Inc., Crown Castle International Corp., CME Group, Inc., and Costco Wholesale Corp.

Average Annualized Performance % - as of 12/31/2022



	QT	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 10/31/2010
Dividend Growth Composite (Gross)	12.7	-9.3	-9.3	9.2	11.5	12.7	12.4
Dividend Growth Composite (Net)	12.7	-9.5	-9.5	8.9	11.2	12.3	12.0
S&P 500	7.6	-18.1	-18.1	7.7	9.4	12.6	12.4

Performance is Preliminary and subject to change at any time.

Data is as of 12/31/2022. Sources throughout this presentation: Congress Asset Management, FactSet, 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. This managed account strategy involves risk, may not be profitable, may not achieve its objective, and may not be suitable or appropriate for all investors. Investors should consider the investment objectives, risks, and fees of this strategy carefully with their financial professional before investing. The information shown is for a representative account as of 12/31/2022. Actual client account holdings and sector allocations may vary.

Fourth Quarter 2022 Highlights

Top 5 Contributors/Detractors

STOCK	AVG. WEIGHT%	CONTRIBUTION%
EOG Resources, Inc.	3.35	0.79
Chevron Corporation	2.84	0.78
Caterpillar, Inc.	1.89	0.72
NIKE, Inc. Class B	2.06	0.72
Tractor Supply Company	3.15	0.64

EOG Resources, Inc. (EOG) explores, develops, produces, and markets crude oil and natural gas. EOG rallied along with the Energy sector. EOG also boosted its quarterly dividend by 10% and announced a special dividend of \$1.50 per share.

Chevron Corporation (CVX) engages in the business of integrated energy and chemical operations. CVX is dedicated to maintaining capital discipline while prioritizing investments that grow long-term value and deliver higher returns while lowering carbon impact. CVX outperformed the Energy sector as its quarterly results exceeded expectations. It later announced a CapEx budget for 2023 that was viewed favorably.

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 strong pricing drove better-than-expected results. In addition, orders and backlog in the company's mining and oil and gas segments remain strong.

NIKE, Inc. (NKE) is the world's leading designer, marketer, and distributor of authentic athletic footwear, apparel, equipment, and accessories. NKE was a standout in the apparel space as it significantly outperformed on all metrics in the quarter. Despite challenges in China and elsewhere, it was able to manage its inventory effectively, which is a major concern across the consumer discretionary space.

Tractor Supply Company (TSCO) is the largest operator of rural lifestyle stores, focused on supplying the needs of recreational farmers and ranchers along with tradesmen and small businesses. TSCO reported quarterly income that beat estimates and Management continued to successfully execute its multitude of strategic initiatives that should set the stage for continued future growth.

Bottom 5 Contributors/Detractors

STOCK	AVG. WEIGHT%	DETRACTION%
Broadridge Financial Solutions, Inc.	2.23	-0.15
Apple, Inc.	2.80	-0.14
Crown Castle, Inc.	1.73	-0.12
CME Group, Inc. Class A	1.86	-0.04
Costco Wholesale Corporation	3.03	0.00

Broadridge Financial Solutions, Inc. (BR) is a leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds, and corporate issuers. The company's financial technology (blockchain for proxy voting) resonates with clients due to cost benefits. Strong revenue growth in the quarter was overshadowed by far weaker-than-expected margins. While management pointed to the timing of investments and revenue mix as culprits, investors were nonetheless disappointed.

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

Crown Castle International Corp. (CCI) is a real estate investment trust (REIT) and the largest provider of shared communications infrastructure in the United States. CCI is positioned to benefit from the continued deployment of wireless capacity and coverage in the U.S. as increasing data demand strains networks. However, REITs underperformed the market during the quarter as interest rates continued to move up and offer an alternative to investors seeking yield. Further pressuring shares was Management's initial 2023 organic growth guidance that fell short of expectations.

CME Group Inc, Class A (CME) provides electronic trading, offering the broadest range of global benchmark products across all major asset classes including futures and options. The company also provides hedging and risk management capabilities to its customers. Despite a more favorable market backdrop for CME, the volumes and open interest of its products have not materialized to the level that investors had expected.

Costco Wholesale Corp. (COST) operates membership warehouses that offer branded and private-label products in a range of merchandise categories. COST comps slowed in the quarter as macro pressures impacted sales of big-ticket items. Additionally, charges to break unfavorable shipping contracts hurt margins, which resulted in an earnings miss.

Information is as of 12/31/2022. Sources: Congress Asset Management 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 Dividend Growth'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. The information shown is for a representative account.

4Q 2022 Transaction Summary

Purchased

- None

Sold

- None

Purchased

None

Sold

None

Outlook

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 coincidentally, 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.

Congress Asset Management Co. Dividend Growth Composite 1/1/2012 - 12/31/2021

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P 500 Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P 500 3-Yr annualized ex- post St Dev (%)	Number of Portfolios	Gross Disper- sion %	Total Composite Assets End of Period (\$ millions)	Total Firm Discretionary Assets End of Period (\$ millions)	Total Firm Advisory-On- ly Assets End of Period (\$ millions)	Total Firm Assets End of Period # (\$ millions)
2021	26.2	25.7	28.7	16.2	17.2	493	0.56	300	12,778	8,018	20,796
2020	13.9	13.5	18.4	16.8	18.5	495	0.97	326	10,746	5,523	16,269
2019	33.7	33.2	31.5	11.1	11.9	394	0.86	205	8,445	4,083	12,528
2018	-0.9	-1.2	-4.4	10.3	10.8	359	0.36	161	7,102	3,132	10,234
2017	19.7	19.3	21.8	9.7	9.9	321	0.64	157	7,272	3,274	10,546
2016	13.6	13.2	12.0	10.1	10.6	254	0.46	119	5,693	2,445	8,139
2015	-2.8	-3.2	1.4	10.3	10.5	174	0.38	81	5,941	1,153	7,094
2014	11.6	11.2	13.7	8.6	9.0	111	0.29	65	6,328	1,121	7,449
2013	29.3	28.8	32.4	10.7	11.9	60	0.39	44	6,489	978	7,467
2012	8.9	8.6	16.0	n/a	n/a	24	0.80	12	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 creation and inception date of the Dividend Growth Composite is November 1, 2010, 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 dividend growth style for a minimum of one full month. The dividend growth strategy invests in the equity of high quality companies with market capitalizations greater than \$1 billion exhibiting consistent dividend 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 S&P 500 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. 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.

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 for 2011 and 2012 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

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.