CONGRESS ASSET
MANAGEMENT COMPANY

4Q 2022

Portfolio Commentary

SMALL CAP GROWTH

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.

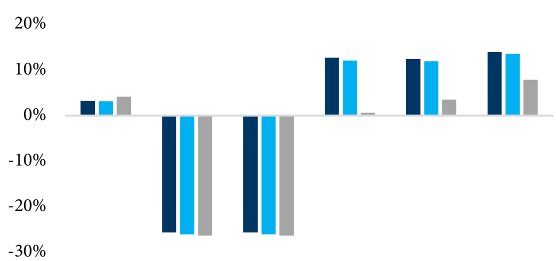
Though trending down, inflation remains high, and the Fed expects to continue raising rates in 2023. This Fed tightening cycle, like all the prior ones, is a delicate experiment – too much tightening could cause a recession, too little and inflation could resurge, wreaking its own havoc. As it stands 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 Small Cap Growth Portfolio ("the Portfolio") returned 3.2% (gross of fees) and 3.1% (net of fees) during the quarter, while the Russell 2000 Growth Index ("The Index") returned 4.1%.

The Portfolio benefited from security selection in Consumer Staples, Energy, and Financials, as well as a relative overweight to Consumer Staples. However, security selection in Consumer Discretionary, Industrials, and Communication Services detracted from performance, as did a relative underweight to Energy.

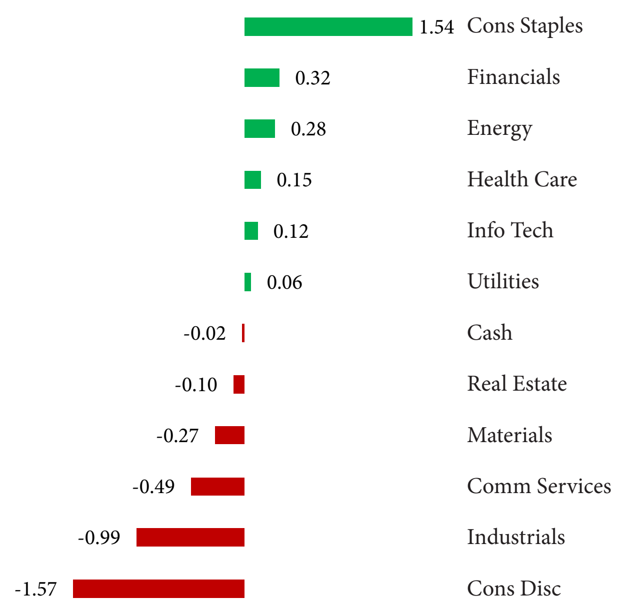
Average Annualized Performance % as of 12/31/2022



		QTD	YTD	1 Yr	3 Yrs	5 Yrs	Inception 7/1/2013
Small Cap Growth Composite (Gross)	■	3.2	-25.6	-25.6	12.7	12.4	14.0
Small Cap Growth Composite (Net)	■	3.1	-26.1	-26.1	12.1	11.9	13.5
Russell 2000 Growth®	■	4.1	-26.4	-26.4	0.6	3.5	7.9

Performance is preliminary and subject to change at any time.

% Total Effect Portfolio vs. Index[1]
(9/30/2022 - 12/31/2022)



Data is as of 12/31/2022. Sources throughout this presentation: Congress Asset Management, FactSet, Russell Investments, 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. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Netiher Russell nor its licensors accept any liablity 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 12/31/2022. Actual client account holdings and sector allocations may vary.

4Q 2022 Attribution Highlights

Overall Contributors

- Security selection in Consumer Staples, Energy & Financials
- Overweight allocation to Consumer Staples

Overall Detractors

- Security selection in Consumer Discretionary, Industrials & Communication Services
- Underweight allocation to Energy

Top 5 Contributors/Detractors

Stock	Avg. Weight%	Contribution%
e.l.f. Beauty, Inc.	3.71	1.62
Medpace Holdings, Inc.	3.64	1.17
Valmont Industries, Inc.	3.81	0.75
Novanta, Inc.	2.30	0.68
Core Laboratories NV	1.71	0.62

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%	Detraction%
Lantheus Holdings, Inc.	3.67	-1.00
Clarus Corporation	0.95	-0.87
Omnicell, Inc.	0.53	-0.66
Qualys, Inc.	2.50	-0.54
TechTarget, Inc.	1.87	-0.51

e.l.f. Beauty, Inc. (ELF) is a leading beauty products company offering high-quality cosmetics at value prices. Quarterly results were better than expected, fueled by a rebound in the cosmetics category and rapid market share gains. Pricing power has allowed margin expansion despite supply chain headwinds. Management expects outperformance to continue due to traction with national and international retailers, improved visibility, and a robust pipeline of innovative products.

Medpace Holdings, Inc. (MEDP) is a contract research organization that provides outsourced clinical development services to biotechnology and pharmaceutical companies. Continued strength in existing projects and an increased win rate led to positive quarterly results. Management also delivered encouraging guidance for 2023 despite concerns regarding financial pressures for smaller biotechs and new project starts. Guidance incorporates caution from the challenging environment and yet significantly exceeded estimates.

Valmont Industries, Inc. (VMI) is a diversified global manufacturer and provider of highly engineered fabricated metal products for the infrastructure and agriculture markets. Following several years of low growth, VMI has experienced an acceleration across its operating segments, benefiting from both secular and cyclical tailwinds towards investments in the electrical grid, renewables, infrastructure, and agriculture. With a record backlog and margins benefiting from effective pricing actions, management raised its full-year guidance.

Novanta, Inc. (NOVT) is a leading global supplier of technological components to OEMs in the advanced industrial and medical end markets. Quarterly results were better than expected due to strength in factory automation, robotics, and EV production. The backlog continues to remain at elevated levels and should benefit NOVT as supply chain shortages ease. Despite the economic slowdown, management expects sales to be resilient due to secular growth trends.

Core Laboratories N.V. (CLB) is a leading provider of niche services and products to the oil and gas industry. The company saw sequential improvement in revenue because of strength in U.S. onshore drilling activity and a moderate improvement in the international laboratory assay work disrupted by the Russia/Ukraine war. For 2023, management expects operators to expand their upstream spending plans, resulting in continued growth in international onshore and offshore activity.

Lantheus Holdings, Inc. (LNTH) is a leading provider of diagnostic medical imaging solutions focused on cardiac and cancer imaging. Despite positive earnings results, sequential sales growth slowed for PYLARIFY, LNTH's prostate cancer diagnostic imaging agent. LNTH also entered the market for prostate cancer therapeutics with its strategic collaboration agreement with POINT Biopharma which includes an upfront cash payment of $260M and potential milestone payments of $1.8 B.

Clarus Corporation (CLAR) is a consumer products company with leading brands in several niche outdoor recreation equipment markets. Recent results were lower than expected as the company continues to be impacted by supply chain issues in its core outdoor business. The Adventure segment, a product of recent acquisitions, is facing particularly acute supply and demand pressure, guidance was cut. As a result, the stock was removed from the Portfolio during the quarter.

Omnicell, Inc. (OMCL) is a leading provider of medication management products and services to healthcare systems and pharmacies. Its medication dispensing, adherence, and pharmacy automation products drive efficiency and cost savings for customers as well as improved outcomes for patients. Quarterly results revealed a rapid slowdown with expenditure freezes and elongated sales cycles at its hospital customers as well as implementation delays given a lack of available labor. Management did not express confidence in its 2025 outlook. As a result, the stock was removed from the Portfolio during the quarter.

Qualys, Inc. (QLYS) is a leader in the fragmented cyber vulnerability management market. It offers a cloud-oriented platform of integrated solutions that automate the lifecycle of asset discovery, security assessments, and compliance management for an organization's IT infrastructure. While earnings continue to outperform expectations, new billings growth decelerated as macro concerns brought shorter duration contracts and increased deal scrutiny. Management expects billing growth to accelerate going forward with strong secular demand for vulnerability management solutions and resilient security budgets.

TechTarget, Inc. (TTGT) is a data/analytics leader and software provider for purchase intent-driven marketing and sales data, used to improve its client's return on marketing spend. Quarterly results were weaker than expected as economic uncertainty is delaying client investments in marketing as cost savings initiatives slow adoption. Management expects the slowdown to persist for a couple of quarters before marketing is reprioritized in client budgets.

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 Small Cap 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.

4Q 2022 Transaction Summary

Sector Allocation Changes

- Increase in Materials, Consumer Staples & Consumer Discretionary
- Decrease in Industrials & Health Care

Purchased

- American Vanguard Corp. (AVD) - Materials
- MGP Ingredients, Inc. (MGPI) - Consumer Staples
- EnPro Industries, Inc. (NPO) - Industrials
- Fox Factory Holding Corp. (FOXF) - Consumer Discretionary
- YETI Holdings, Inc. (YETI) - Consumer Discretionary
- Badger Meter, Inc. (BMI) - Information Technology

Sold

- Shyft Group, Inc. (SHYF) - Industrials
- Inari Medical, Inc. (NARI) - Health Care
- Omnicell, Inc. (OMCL) - Health Care
- Vicor Corp. (VICR) - Industrials
- Clarus Corporation (CLAR) - Consumer Discretionary
- Novanta, Inc. (NOVT) - Information Technology

Purchased

American Vanguard Corp. (AVD) manufactures agricultural products primarily used for crop protection and management. High crop prices and a strong farm economy are benefiting growth in its core agricultural products. Meanwhile, incremental growth drivers are evident from the commercialization of "green solutions" formulated with natural compounds as well as AVD's innovations in precision agriculture. Its North American manufacturing base is insulated from global supply chain risks, and its healthy balance sheet and cash flow allow bolt-on acquisitions and cash returns to shareholders.

MGP Ingredients, Inc. (MGPI) produces premium distilled spirits, food ingredients, and branded spirits. MGPI is well positioned in the spirits space with a portfolio of brands across white and brown liquids along with an expansive distribution network. Spirits as a category have been taking market share from beer and wine over the last decade, and MGPI's expansion in branded spirits offers incremental growth and margin opportunities.

EnPro Industries, Inc. (NPO) is a leading manufacturer of high-performance industrial seals and advanced surface technologies serving various end markets. Having divested itself of several low-margin businesses in recent years, the company is refocused on high-growth and profitability markets and M&A opportunities. Successful execution of this strategy has elevated organic growth and profitability, with high levels of recurring revenue, backlog, and order trends supporting persistent growth ahead.

Fox Factory Holding Corp. (FOXF) is a leading manufacturer of high-performance suspension products for the mountain bike and powered vehicle end markets. The growing community of outdoor enthusiasts together with FOXF's market share gains as the premium innovation brand has delivered consistent double-digit growth. Its newly opened manufacturing facility should offer lasting production efficiencies and lower capital requirements, enhancing profitability and cash flows. An improving supply chain, continued market share gains, and a growing addressable market support the outlook for resilient growth.

YETI Holdings, Inc. (YETI) designs, markets, and distributes products for the outdoor and recreation market. YETI is the leading brand in the outdoor drinkware and cooler market, well positioned for growth through product innovation and geographic expansion outside its heritage markets in the South/Southeast across the US and Internationally. Profitability is set to improve as its fast-growing direct to consumer business comes with higher margins and elevated supply chain costs should moderate, further complementing its robust cash flow and balance sheet.

Badger Meter, Inc. (BMI) provides flow measurement, control products, and communications solutions that serve water utilities, municipalities, and commercial and industrial customers worldwide. Order growth continues to be positive due to the shift to high-technology meters, radios, and software, which also results in increased average selling prices and margins. With 85% of the market being replacement-driven resulting from technology upgrades, demand is expected to be stable. Easing supply chain issues should result in backlog conversion and improve margins.

Sold

Shyft Group, Inc. (SHYF) manufactures and distributes trucks, trailers, and related products. Despite recent improvements in the supply chain improving production volumes, order flow has moderated and cancellations have risen. In the context of a weakening macro environment, slowing orders and sustained cancellations introduce risk to the order backlog and SHYF's ability to deliver on growth expectations.

Inari Medical, Inc. (NARI) is a medical device company focused on the interventional treatment of venous diseases. Although quarterly results were better than expected most of the upside is from stocking new products, which may represent a pull-forward of revenue. The outlook is clouded by hospital staffing issues which have slowed procedure volumes, as well as NARI's heavy investment in its sales force, a drag on profitability and cash flow.

Omnicell, Inc. (OMCL) is a leading provider of medication management products and services to healthcare systems and pharmacies. Its medication dispensing, adherence, and pharmacy automation products drive efficiency and cost savings for customers as well as improved outcomes for patients. Quarterly results revealed a rapid slowdown with expenditure freezes and elongated sales cycles at its hospital customers as well as implementation delays given a lack of available labor. Management also did not express confidence in its 2025 outlook.

Vicor Corp. (VICR) designs and manufactures modular power components and complete power systems for high-performance applications in computing, industrial equipment and automation, communications and

Information is as of 12/31/2022

network infrastructure, and transportation. Order growth was weaker than expected due to elevated customer backlogs and deteriorating macro conditions, this slowdown is likely to be exacerbated by new controls on exports to China, a headwind for VICR's semiconductor customers.

Clarus Corporation (CLAR) is a consumer products company with leading brands in several niche outdoor recreation equipment markets. Recent results were lower than expected as the company continues to be impacted by supply chain issues in its core outdoor business. The Adventure segment, a product of recent acquisitions, is facing particularly acute supply and demand pressure. As a result, guidance was cut.

Novanta, Inc. (NOVT) is a leading global supplier of technological components to OEMs in the advanced industrial and medical end markets. The stock was removed from the Portfolio 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 six purchases and six sales during the quarter and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Materials, Consumer Staples, and Consumer Discretionary weightings, while reducing its Industrials and Health Care weightings.

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 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.

Congress Asset Management Co.
Small Cap Growth Composite
7/1/2013 - 12/31/2021

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)
2021	41.7	40.9	2.8	20.6	23.1	303	1.24	390	<1%	12,778	8,018	20,796
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 – 12/31/21. 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 – 12/31/21. 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, 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 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.