CONGRESS ASSET MANAGEMENT COMPANY

Portfolio Commentary

4Q 2022

SMID 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.

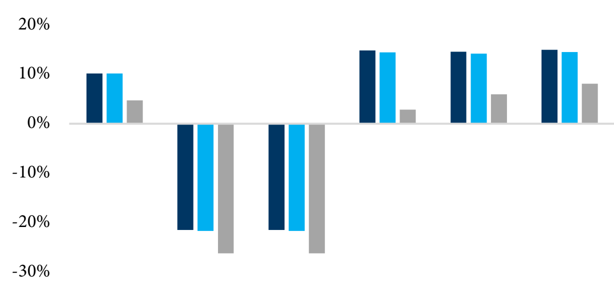
Though trending down, inflation remains high, and the Fed expects to continue raising rates in 2023. This Fed tightening cycle, like all the prior ones, is a delicate experiment – too much tightening could cause a recession, too little and inflation could resurge, wreaking its own havoc. As it stands 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 SMid Growth Portfolio ("the Portfolio") returned 10.2% (gross of fees) and 10.2% (net of fees) during the quarter, while the Russell 2500 Growth Index returned 4.7%.

The Portfolio benefited from security selection in Health Care, Consumer Staples, Financials, and Communication Services. However, security selection in Information Technology detracted from performance, as did an overweight allocation to Health Care and an underweight allocation to Energy.

% Average Annual Returns as of 12/31/2022

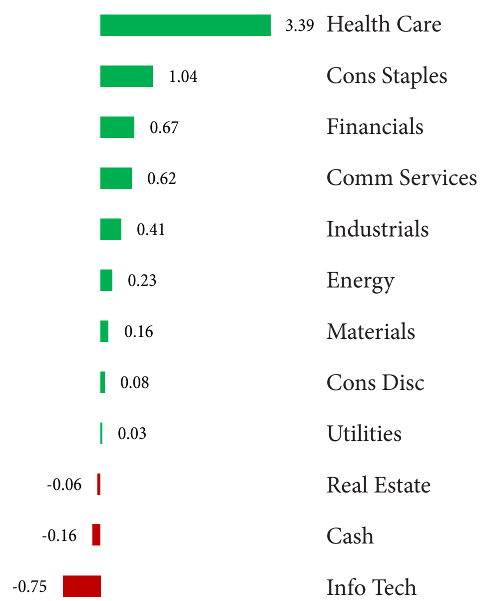


		QTD	YTD	1 Yr	3 Yrs	5Yrs	Inception (4/1/2017)
SMid Growth Composite (Gross)	■	10.2	-21.5	-21.5	14.9	14.6	15.0
SMid Growth Composite (Net)	■	10.2	-21.7	-21.7	14.5	14.2	14.5
Russell 2500 Growth®	■	4.7	-26.2	-26.2	2.9	6.0	8.1

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 Health Care, Consumer Staples, Financials & Communication Services

Overall Detractors

- Security selection in Information Technology
- Overweight allocation to Health Care
- Underweight allocation to Energy

Top 5 Contributors/Detractors

Stock	Avg. Weight%	Contribution%
Horizon Therapeutics Plc	2.95	1.92
e.l.f. Beauty, Inc.	3.43	1.45
Medpace Holdings, Inc.	3.03	0.92
Cactus, Inc. Class A	3.13	0.87
Valmont Industries, Inc.	3.12	0.64

Horizon Therapeutics Plc. (HZNP) develops therapies for orphan diseases, specifically uncontrolled gout and thyroid eye disease. HZNP entered into an agreement to be acquired by Amgen for an enterprise value of $28.3B in cash, a 48% premium. The acquisition is expected to close in the first half of 2023.

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, due to consumers' willingness to spend on beauty products despite a slowing macro environment. Growth was broad-based across the company's retail and e-commerce channels. ELF delivered solid margin expansion despite supply chain headwinds. Management expects these positive trends to continue due to market share gains and a 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.

Cactus, Inc. Class A (WHD) is a manufacturer of highly engineered wellhead and pressure control equipment used in U.S. onshore oilfields during the drilling, completion, and production phases. The company delivered another solid quarter propelled by strong pricing and margin expansion which resulted in continued positive earnings momentum. Further, its equity valuation increased in the quarter as investors showed a renewed preference for oilfield service stocks heading into 2023, as energy producer Capex spending is expected to grow meaningfully.

Valmont Industries, Inc. (VMI) is a diversified global manufacturer and provider of highly engineered fabricated metal products to the infrastructure and agriculture markets. Following several years of stale growth, VMI is positioned to see an acceleration across its operating segments, which are benefiting from both secular and cyclical tailwinds. The company continues to deliver better-than-expected results supported by its infrastructure and agriculture segments. Margins continue to benefit from pricing actions and volume growth, especially internationally.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%	Detraction%
R1 RCM, Inc.	0.82	-1.24
Generac Holdings, Inc.	0.32	-0.65
Entegris, Inc.	1.93	-0.47
Repligen Corporation	2.42	-0.27
CyberArk Software Ltd.	1.94	-0.27

R1 RCM, Inc. (RCM) is a provider of technology-enabled revenue cycle management services to hospitals, health systems, and physician groups. Indications that clients are experiencing issues transitioning their current systems to RCM resulted in concern that RCM's financial results may be negatively impacted. The position was sold from the Portfolio during the quarter.

Generac Holdings, Inc. (GNRC) is a leading global designer and manufacturer of a wide range of power generation equipment. The company expects a supply/demand imbalance for the foreseeable future for its home standby generators. Its partners are working through existing inventory at a slower-than-expected pace due to installation bottlenecks while post-COVID generator demand is waning. Further, GNRC's alternative energy business will also need to recover from the bankruptcy of its biggest distribution partner. As a result of these factors, the position was sold during the quarter.

Entegris, Inc. (ENTG) is a leading developer, manufacturer, and supplier of micro-contamination control products, specialty chemicals, and advanced materials handling solutions used in semiconductor and other high-tech manufacturing processes. Entegris reported weaker-than-expected quarterly results as sales of its Aramus bags were lower than expected. Guidance for the next quarter was also disappointing given the China export restrictions and early signs of a weaker semiconductor market. However, Entegris should continue to benefit from the long-term secular trend of more complex and smaller chips.

Repligen Corp, Inc. (RGEN) is a leading provider of advanced bioprocessing technology and solutions used in the process of manufacturing biologic drugs. RGEN reported a solid quarter with revenues and earnings that beat expectations but took a more prudent stance with its outlook. Increased FX headwinds, further lockdowns in China, and its Covid-related customers' destocking of inventory were the main headwinds noted, but these issues should be transitory. However, underlying business trends for its base business remained strong with 29% growth in the quarter.

CyberArk Software Ltd. (CYBR) is a leading provider of cybersecurity software, primarily privileged access management. Though recent results have shown accelerating growth with cyber security remaining a key budget priority, the stock traded down throughout December along with other higher valuation stocks.

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 contribution of every holding in the strategy's composite account, which we believe is most representative 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 & Energy
- Decrease in Financials & Health Care

Purchased

- Option Care Health, Inc. (OPCH) - Health Care
- Ritchie Bros. Auctioneers, Inc. (RBA) - Industrials
- Summit Materials, Inc. Class A (SUM) - Materials
- Fabrinet (FN) - Information Technology
- Range Resources Corporation (RRC) - Energy

Sold

- Neogen Corp. (NEOG) - Health Care
- LPL Financial Holdings, Inc. (LPLA) - Financials
- Generac Holdings, Inc. (GNRC) - Industrials
- R1 RCM, Inc. (RCM) - Health Care
- Perficient, Inc. (PRFT) - Information Technology

Purchased

Option Care Health, Inc. (OPCH) is the largest independent provider of home and alternate site infusion services. The company is favorably positioned to benefit from secular trends such as healthcare delivery outside the hospital setting and the increased development of infused specialty drugs. OPCH is working towards expanding its mix of higher-margin chronic therapy to roughly 70% of its overall business. Unlike its competitors, the company is able to leverage its superior logistics to pursue the difficult-to-execute acute care business, which is an area of importance for hospitals.

Ritchie Bros. Auctioneers, Inc. (RBA) provides asset management and disposition solutions for used industrial equipment in the construction and transportation markets. Used auction volumes are poised to accelerate over the coming quarters as supply chain issues subside and new equipment enters the field. Additionally, the build-out of RBA's software platform should enable the company to participate in previously untapped segments of the used equipment market.

Summit Materials, Inc. Class A (SUM) is a construction materials solution provider that produces aggregates and cement. The recently enacted Infrastructure Investment and Jobs Act is poised to propel public infrastructure spending, which accounts for a significant portion of SUM's revenues. Further, construction materials companies typically hold strong pricing power which should support earnings growth despite inflationary headwinds.

Fabrinet (FN) is a leading provider of advanced optical packaging and precision optical, electro-mechanical, and electronic manufacturing services. The company primarily targets the optical communications, networking, industrial laser, and sensor markets. FN is benefiting from broad-based industry trends in which optical communications OEMs are reducing internal manufacturing capacity and transitioning to a low-cost, more efficient manufacturing base. Demand also remains strong due to key end-markets like 5G, hyperscale, and auto.

Range Resources Corporation (RRC) explores, develops, and acquires natural gas, natural gas liquids, and oil properties. Energy producers in the United States are positioned to benefit from structurally higher commodity prices over the coming years due to an inelastic supply base. As a high-quality producer of natural gas with significant marketing access to the Gulf Coast, RRC should benefit from a wave of liquid natural gas export capacity that's expected to be built this decade. These dynamics, along with debt reduction, have contributed to an attractive free cash flow yield for shares of RRC.

Sold

Neogen Corp. (NEOG) develops, manufactures, and markets a diverse line of products and services dedicated to food and animal safety. Management is beginning to see recessionary headwinds as food safety disposable sales have declined as customers are testing less often. In addition, NEOG's financial targets from its acquisition of 3M's food safety business will likely be pushed back as the company resolves 3M's existing manufacturing issues while facing macro headwinds.

LPL Financial Holdings, Inc. (LPLA) is a leader in the retail financial advice market and the nation's largest independent broker-dealer. The company has been a beneficiary of a rising interest rate environment as evidenced by its strong asset growth. However, with uncertainty in the macro environment along with an elevated valuation, the stock's risk/reward equation has become unfavorable.

Generac Holdings, Inc. (GNRC) is a leading global designer and manufacturer of a wide range of power generation equipment. The company expects a supply/demand imbalance for the foreseeable future for its home standby generators. Its partners are working through existing inventory at a slower-than-expected pace due to installation bottlenecks while post-COVID generator demand is waning. Further, GNRC's alternative energy business will also need to recover from the bankruptcy of its biggest distribution partner. As a result of these factors, the position was sold during the quarter.

R1 RCM, Inc. (RCM) is a provider of technology-enabled revenue cycle management services to hospitals, health systems, and physician groups. Indications that clients are experiencing issues transitioning their current systems to RCM resulted in concern that RCM's financial results may be negatively impacted.

Perficient, Inc. (PRFT) is an IT services firm specializing in the digital transformation of business operations and processes. Recently, the business has seen increased sales cycles, delayed customer decision-making, and an accelerated shift to offshore/nearshore work that is stifling top-line growth. Further, in its most recent quarter management cut its full-year guidance and struck a very conservative tone regarding its outlook.

Positioning

Portfolio 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 five purchases and five sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Materials and Energy weightings, while reducing its Financials 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. SMid Growth Composite 4/1/2017 - 12/31/2021

Year	Total Return Gross of Fees%	Total Return Net of Fees%	Russell 2500 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2500 Growth 3-Yr annualized ex-post St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ millions)	Total Firm Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2021	28.4	27.9	5.0	18.5	22.0	98	0.91	79	12,778	8,018	20,796
2020	50.3	49.7	40.5	20.7	23.9	47	0.62	55	10,746	5,523	16,269
2019	28.7	28.2	32.7	n/a	n/a	14	n/a	37	8,445	4,083	12,528
2018	1.3	0.9	-7.5	n/a	n/a	≤5	n/a	27	7,102	3,132	10,234
3/31/17–12/31/17	12.8	12.5	17.1	n/a	n/a	≤5	n/a	35	7,272	3,274	10,546

#The "Total Firm Assets" column includes unified managed account (UMA) assets

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Firm Information: Congress Asset Management Co. (CAM) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers 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 SMid Growth Composite is April 1, 2017, 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 SMid growth style for a minimum of one full month. The SMid growth strategy invests in the equity of high quality companies with market capitalizations between $300 million and $20 billion (at the time of purchase) exhibiting consistent earnings growth. Accounts with wrap commissions are excluded from the composite. The primary composite benchmark is the Russell 2500 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 for periods prior to 2020 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, not does it warrant the accuracy or quality of the content contained herein.