CONGRESS ASSET MANAGEMENT COMPANY

3Q 2020

Portfolio Commentary

Balanced Portfolio

Market Environment

In New England, the inevitable change of seasons is upon us. We are three months closer to a vaccine, but the pandemic's shadow is long, casting shade on the economy. The final stretch of the most contentious presidential election in generations adds to the uncertainty, and for some, a feeling of despondency and exhaustion. The financial markets appear to have ignored it all with stocks staging a frantic rally since March and bond yields anchored near historic lows.

The incongruity of the strong stock market and the uneven, tenuous economic recovery stands out. Investors ignored the pandemic's path and relied instead on the massive stimulus thrown at economies globally since March. The packages were intended to provide both a cushion and path to a stronger economy in 2021. The virus, however, is not deterred by monetary programs and cannot simply be willed away. The anticipated autumn recurrence has arrived accompanied by the now familiar debates about defining essential activities and mustering additional fiscal relief to offset the economic effects of the shutdowns. The path forward is never certain but is unusually precarious now.

Performance Summary

The Congress Balanced Portfolio ("The Portfolio") returned 7.0% (gross of fees) during the third quarter, while the Portfolio's blended index, 60% S&P 500 / 40% Bloomberg Barclays Intermediate Government/Credit Index ("The Index") returned 5.6%.

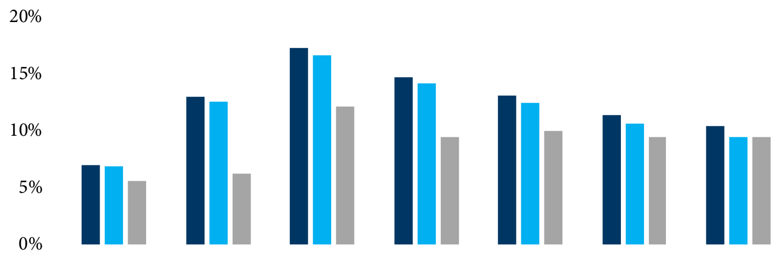
Portfolio Discussion

Our allocation between equity and fixed income securities remains at 65% equites and 35% fixed income. There are a number of factors we consider, some economic such as the level of interest rates, inflation, and expected economic growth. We also consider stock market fundamentals including earnings expectations, valuations, and revenue generating opportunities.

Despite the historic collapse in second quarter 2020 GDP, corporate earnings on the whole came in better than originally feared. Preservation of margins and capital largely reassured investors that their worst fears are off the table, and most firms and industries will weather the storm until the economy can regain its footing. The degree to which third quarter earnings will be impacted remains unknown, however. It is widely believed that the unprecedented level of stimulus measures put forth by central banks will allow for the resumption of earnings growth at some point in the intermediate term future. Despite uncertainty regarding depth and duration of current earnings, valuations largely reflect the assumed resumption of earnings growth.

Given the goal of balanced accounts: Growth and stability, we remain 65% equities and 35% fixed income.

Average Annualized Performance % - as of 9/30/2020



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Balanced (Gross)	7.0	13.0	17.3	14.7	13.1	11.4	10.4
Balanced (Net)	6.9	12.6	16.7	14.2	12.5	10.7	9.5
Benchmark[1]	5.6	6.3	12.2	9.5	10.0	9.5	9.5

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

Equity Sleeve

The Portfolio's equity sleeve outperformed during the quarter. The top contributor was **Apple** despite continued supply chain constraints, the company reported strong quarterly results highlighted by excellent sales growth in the iPhone, iPad, and Mac products. **Air Products and Chemicals** is a global producer of atmospheric gases, process and specialty gases, equipment, and services. The company's outperformance during the quarter was driven by pricing and margin growth across its geographic segments. **Cintas** provides corporate identity uniforms through rental and sales programs. The company reported solid quarterly results that easily exceeded expectations. CTAS' First Aid & Safety business continues benefit from increased sales of PPE (personal protective equipment) as well as new opportunities in the healthcare market. **Thermo Fisher Scientific** manufactures lab equipment, software, analytic instruments, chemicals, and other supplies. The stock's outperformance during the quarter came on the back of better than expected organic growth results driven by continued investments in bioproduction, analytical instruments, and COVID-related diagnostic equipment. **Zoetis** is the world's largest producer of medicine and vaccinations for pets and livestock. The company's solid results continue to be propelled by its key dermatology products; Apoquel and Cytopoint.

In contrast, **Ciena Corp.,** a supplier of telecommunications networking equipment, software, and services, detracted from performance. The company continues to be negatively impacted by COVID-19 as the pandemic has caused a slowdown in orders, which will impact its growth rates over the next few quarters. **Vertex Pharmaceuticals** develops therapies for the treatment of cystic fibrosis. The stock underperformed during the quarter despite solid quarterly results and increased full-year guidance driven by increasing traction with its TRIKAFTA drug. **IHS Markit,** which was added to the Portfolio during the quarter, is a global data and information services leader that operates in a variety of industries. The stock's quarterly performance was negatively impacted by weakness in resource revenue. **Crown Castle** is a real estate investment trust and provider of shared communications infrastructure. The company continues to be negatively impacted by industry delay in 5G investments, yet still added a basis point to the Portfolio's quarterly performance. **Sherwin-Williams** is a global leader specializing in paints, coatings, and related products. The position was added to the Portfolio during the quarter and made a slight contribution to performance. The company has delivered strong results during the pandemic, as consumers have focused on home projects and the company is an excellent position to benefit from favorable housing trends.

Top Equity Contributors[2]

Stock	Avg. Weight%	Contribution%
Apple Inc.	3.27	0.80
Air Products and Chemicals, Inc.	3.49	0.77
Cintas Corporation**	2.28	0.61
Thermo Fisher Scientific Inc.	2.98	0.62
Zoetis, Inc. Class A	2.84	0.56

Top Equity Detractors/Contributors[2]

Stock	Avg. Weight%	Contribution%
Ciena Corporation	2.18	-0.53
Vertex Pharmaceuticals Inc.	2.57	-0.17
IHS Markit Ltd.*	1.15	-0.13
Crown Castle International Corp.	2.01	0.01
Sherwin-Williams Company*	0.62	0.01

**Purchased during the quarter. **Sold during the quarter.*

Fixed Income Sleeve

An overweight to high-quality, Industrial sector corporate issues boosted relative performance. An allocation to US Treasury issues aided relative performance, despite being underweight relative to the benchmark. Security selection within Industrial and Financial sector corporates detracted from relative performance as lower-quality issues outperformed.

Top Fixed Income Contributors[2]

Issue	Avg. duration%	Contribution%
Toyota Motor Credit Corporation	5.82	0.05
Target Corporation	7.39	0.04
Pepsico, Inc.	6.27	0.04
United Parcel Service, Inc.	3.87	0.03
Home Depot, Inc.	4.47	0.03

Top Fixed income Detractors/Contributors[2]

Issue	Avg. duration%	Contribution%
Wells Fargo & Company	1.52	-0.04
Comcast Corporation	4.33	-0.02
GNMA 30 Yr Oct. 2033	3.34	0.00
GNMA 30 Yr May 2027	2.24	0.00
Caterpillar Inc.	8.28	0.00

Information is as of 9/30/2020. 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 9/30/2020. Actual client account holdings and sector allocations may vary.

Transactions

3Q 2020 Transaction Summary - Equity Sleeve

Sector Allocation Changes	Purchased	Sold
• Increased allocation to Industrials & Materials • Decreased allocation to Financials & Consumer Discretionary	• IHS Markit Ltd. (INFO) - Industrials • Caterpillar, Inc. (CAT) - Industrials • Sherwin-Williams Company (SHW) - Materials	• CME Group Inc. Class A (CME) - Financials • Cintas Corporation (CTAS) - Industrials • TJX Companies Inc. (TJX) - Consumer Discretionary

3Q 2020 Sector Allocation Changes - Fixed Income Sleeve

Purchased	Sold
• Intel Corporation (INTC) of 11/15/2029 to extend in the name and add duration to the Portfolio • JPMorgan Chase & Co. (JPM) of 01/23/2025 to replace the JPMorgan issue that was tendered and add duration to the Portfolio	• Intel Corporation (INTC) of 12/15/22 due to valuation concerns with a tight spread to its make whole call • Tendered the JPMorgan Chase & Co. (JPM) of 01/24/22 on an attractive tender spread and fears of reduced liquidity post-tender

Manager Outlook

Equity Sleeve

The housing market has emerged as an area of strength. The pandemic has altered how people use their homes and the value they place on personal space. This behavioral shift combined with historically low interest rates and a secular trend of increased household formation has resulted in robust housing demand. Home sales are up double digits over last year with 70% of existing homes sold within a month of listing. Along with home sales comes furnishings, paint, and re-modeling. This trend is unlikely to fade until interest rates rise.

Inflation remains non-existent and is unlikely to appear until the employment market improves. The official unemployment rate has improved to about 9%, a far cry from the heady pre-pandemic reading of under 4%. Through September the recently unemployed had been bolstered by federal stimulus packages, which helped keep consumer spending at levels consistent with last year. That extra support has now waned. While the combination of low interest rates with negligible inflation should sustain the recovery at current rates, an expanded recovery demands a better labor environment. Both presidential aspirants have promised stimulus packages to address employment issues.

This presidential election is notable for the level of vitriol it has engendered. But we are faced with uncertain agendas every four years. This is not unusual. Both candidates appear to recognize the uniqueness of the pandemic and its effects on our economy. Both will push new stimulus plans once elected. Voters have a clear choice in temperament, tax policy, domestic priorities, and international relations but primary for both candidates is enhancing growth as soon as possible. As happens after every presidential election, U.S. companies will adjust. Our process, often messy, forces companies to adapt and respond to incentives. In this sense, 2020 is little different from other presidential election cycles.

On the whole, 2020 is unique because of the pandemic that indirectly caused a rare synchronized, global recession. A full recovery including large social gatherings and care-free travel is unlikely until vaccines are approved and widely available. In the U.S. alone there are four large scale, stage three vaccine trials underway. Wide scale adoption is likely in the first half of 2021.

The economic recovery remains tenuous and in the U.S. is driven by the consumer who has shifted spending habits. Manufacturing has been slower to recover but inventories have been drawn down to unsustainably low levels suggesting replenishment should be additive over the next few quarters. This unspectacular economic trend will be supported over the longer term by the Fed programs. Most likely, more fiscal stimulus is also on the way, although its magnitude and timing are uncertain. Stocks remain the preferred asset class given low bond yields and the potential of a stronger economy in 2021.

Fixed Income Sleeve

With interest rates holding steady and credit spreads narrowing, it should not be a surprise that Corporate bonds were the top performer for the quarter. Yet again, lower quality issues were far ahead of higher quality issues. This same dynamic applied to both investment grade and high yield issues, showing that investors are exhibiting a diminishing fear of default risk. Returns remain positive but if the yield curve were to shift upwards, then performance could turn negative.

In general, the bond market appears to be on stable footing with little impetus for change. Economic data continues to evolve as the U.S. grapples with the COVID-19 pandemic, cautiously emerging from lockdown conditions in many parts of the country. The Federal Reserve's policies are highly unlikely to change until the economic picture becomes more robust. Interest rates will remain low and credit spreads will remain narrow into 2021 barring some unforeseen circumstance. We continue to purchase liquid and high-quality bonds for our clients' portfolios. In these unprecedented days we remain committed to our long-term fixed income strategies.

Information is as of 9/30/2020

Congress Asset Management Co. Balanced Composite 11/1/2010 - 12/31/2019

Year	Total Return Gross of Fees%	Total Return Net of Fees%	60% S&P 500 40% BBUIGCI Blend Return % (dividends reinvested)	CAM Recomm. Allocation %	Composite Gross 3-Yr St Dev (%)	60% S&P 500 40% BBUIGCI 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 Assets End of Period # ($ millions)
2019	24.5	23.9	21.3	65/35	7.6	7.1	26	1.66	44	8,445	12,528
2018	2.5	2.0	-2.0	65/35	7.0	6.3	21	0.67	32	7,102	10,234
2017	19.2	18.5	13.6	70/30	6.7	5.8	10	n/a	15	7,272	10,546
2016	4.7	4.0	8.1	70/30	7.3	6.3	6	n/a	7	5,693	8,139
2015	2.4	1.7	1.5	65/35	7.6	6.3	11	0.61	13	5,941	7,094
2014	8.0	7.3	9.4	65/35	7.1	5.5	15	0.77	20	6,328	7,449
2013	19.7	19.0	18.1	65/35	8.6	7.2	13	2.33	14	6,489	7,467
2012	9.2	8.6	11.1	65/35	9.9	8.8	18	0.42	23	6,755	7,498
2011	4.3	3.7	3.9	65/35	11.0	11.3	14	0.51	15	6,329	7,014
2010	9.7	9.1	11.8	65/35			16	0.32	24	6,416	6,678

#The "Total Firm Assets" column is provided as supplemental information and also 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 – 12/31/19. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

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 in which an account was fully invested in the strategy and met the inclusion criteria. The composite includes all fully discretionary accounts 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 Barclays US Intermediate Government/ Credit Index. The benchmark is calculated in Advent Portfolio Exchange. 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 complete list and description of all firm composites is 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. Monthly composite performance is calculated as an asset-weighted return using the aggregate method. This method aggregates market values and cash flows for all accounts and treats the composite as if it were one account. Monthly composite returns are geometrically linked to produce a time-weighted annual return. Beginning June 1, 2015 the composite is valued daily. Prior to that date, the composite was re-valued on each date that a cash flow exceeded 10% of the total market value of the composite. 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 the highest management fee in the Balanced composite, which was 1.00%. 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. It is not presented for 2010 as it is not required for periods prior to 2011. In January of 2006, the calculation methodology for the benchmark blended index was changed; prior to this time the benchmark returns were calculated using CAM's end of period recommended asset allocation. The calculation was changed to reflect a benchmark allocation of 60% equity/40% fixed to better contrast CAM's strategic and tactical allocation.

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 portfolios, calculating performance, and preparing compliant presentations 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.