CONGRESS ASSET MANAGEMENT COMPANY

3Q 2020

Portfolio Commentary

Dividend Growth Portfolio

Market Review

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.

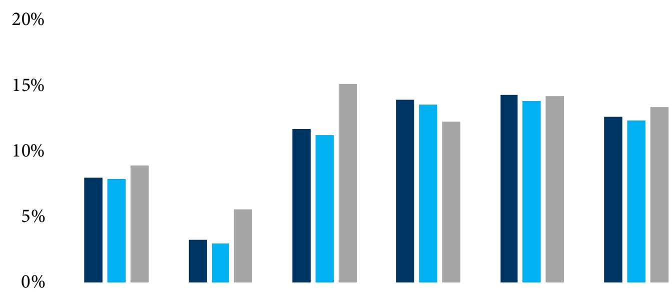
The incongruity of the strong stock market and the uneven, tenuous economic recovery stands out. Investors ignored the pandemic's path and relied instead on the massive stimulus thrown at economies globally since March. The packages were intended to provide both a cushion and path to a stronger economy 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 Overview

The Congress Dividend Growth Portfolio ("the Portfolio") returned 8.0% gross of fees during the Third quarter, while the S&P 500 Index ("the Index") returned 8.9%.

Portfolio holdings Apple, Inc., Cintas Corporation, NIKE, Inc., Norfolk Southern Corporation, and NextEra Energy, Inc. all contributed to quarterly performance. However, Cisco Systems, Inc., Intel Corporation, Exxon Mobil Corporation, AbbVie, Inc., and Analog Devices, Inc. detracted from the Portfolio's return.

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



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	Inception 10/31/2010
Dividend Growth (Gross)	8.0	3.3	11.7	14.0	14.3	12.7
Dividend Growth (Net)	7.9	3.0	11.3	13.6	13.9	12.4
S&P 500	8.9	5.6	15.2	12.3	14.2	13.4

Performance is preliminary and subject to change

Information is as of 9/30/2020. Sources: Congress Asset Management, FactSet, and Informa Investment Solutions. This information is for illustrative purposes and are subject to change at any time. Holdings and performance information throughout this presentation is subject to change and should not be considered investment advice or a recommendation to buy or sell a particular security. Actual holdings and performance 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® Composite. Performance returns of less than one year are not annualized.

Third Quarter 2020 Highlights

Top 5 Stock Contributors and Detractors[1]

Contributors

Stock	Avg. Weight%	Contribution%
Apple Inc.	3.80	0.93
Cintas Corporation	3.31	0.74
NIKE, Inc. Class B	2.53	0.66
Norfolk Southern Corporation	2.69	0.55
NextEra Energy, Inc.	3.39	0.53

Detractors

Stock	Avg. Weight%	Detraction/Contribution%
Cisco Systems, Inc.	2.09	-0.32
Intel Corporation	1.93	-0.31
Exxon Mobil Corporation	1.03	-0.24
AbbVie, Inc.	1.94	-0.19
Analog Devices, Inc.	2.52	-0.13

Apple Inc. (AAPL) is the world's largest information technology company. Despite significant headwinds from the pandemic and continued supply chain constraints, the company reported strong quarterly results highlighted by excellent sales growth in the iPhone, iPad, and Mac products.

Cintas Corp. (CTAS) provides highly specialized uniform services to over one million customers that range from independent auto repair shops to large hotel chains. CTAS reported strong results in the quarter as both revenue and EPS beat expectations. COVID-19 is providing a tailwind for its Health Care business through additional opportunities to gain new customers as well as providing further penetration and cross-selling opportunities within its existing customer base.

NIKE, Inc. (NKE) is the world's leading designer, marketer and distributor of authentic athletic footwear, apparel, equipment, and accessories for a wide variety of sports and fitness activities. NKE's stock rose after it reported results that handily beat expectations. Revenue strength across geographies, better cost controls, and improving inventory levels were all highlights.

Norfolk Southern Corporation (NSC) is primarily engaged in rail transportation. The pandemic-induced economic slowdown significantly impacted volumes and revenues in the transportation industry. NSC, however, did a good job managing costs and reported the best operating ratio amongst rail transport companies. This led to an EPS beat for the quarter.

NextEra Energy, Inc. (NEE) operates principally through subsidiaries such as the Florida Power & Light Company, one of the largest rate-regulated electric utilities in the United States, and NextEra Energy Resources, LLC, which is the world's largest generator of renewable energy. NEE continues to benefit from the increasing demand for low-cost renewable energy. Based on the strength of the market and its development program, NEE raised its guidance for 2021 and provided longer term guidance that was better than expected.

Cisco Systems, Inc. (CSCO) designs, manufactures, and sells Internet Protocol based networking products and services to the communications and information technology industries. CSCO reported better than expected results in the quarter, but its fourth quarter outlook was disappointing. Declining order growth in its Americas region as Commercial and Enterprise customers continue to manage the impact from COVID-19 was a notable surprise. Adding to the uncertainty was the announced retirement of its long-tenured CFO.

Intel Corp. (INTC) is a leader in the design and manufacturing of essential products and technologies that power the Cloud and an increasingly smart, connected world. Intel delivers computer, networking, and communications platforms to a broad set of customers worldwide. Very strong results in the quarter were completely overshadowed by the announcement of a six-month delay in its next generation 7nm products. This has raised competitive and strategic concerns amongst investors.

Exxon Mobile Corp. (XOM) holds an industry-leading inventory of oil and gas resources, is the largest refiner and marketer of petroleum products, and its chemical company is one of the largest in the world. The uncertain demand outlook for oil has depressed prices, impacting the profitability at all levels of the energy value chain. As the largest integrated energy company in the world, XOM is challenged to find ways to offset some of these headwinds.

AbbVie, Inc. (ABBV) is a research-based biopharmaceutical company engaged in the discovery, development, manufacture, and sale of pharmaceutical products used in immunology, oncology, neuroscience, and virology. Despite reporting better than expected quarterly results and guidance, ABBV, like most major drug companies in general, underperformed in the quarter. Regulatory concerns around pricing persist with healthcare costs being a focal point heading into the election.

Analog Devices Inc. (ADI) designs, manufactures, and markets analog, mixed-signal, and digital signal processing integrated circuits that are used in virtually all types of electronic equipment. Most of ADI's underperformance in the quarter stemmed from its announced $21 billion acquisition of Maxim Integrated (MXIM). While most reports were positive on the strategic nature of the deal, a later than expected closing date (Summer of 2021) raised some concerns about regulatory hurdles or another bidder coming in over the top.

3Q 2020 Transaction Summary

Purchased	Sold
• Martin Marietta, Inc. (MLM) - Materials	• Lamb Weston Holdings, Inc. (LW) - Consumer Staples

Purchased

Martin Marietta, Inc. (MLM) is a leading supplier of building materials, including aggregates, cement, ready mixed concrete, and asphalt. MLM's operations span 27 states across the Southeast, West, and Midwest regions. Continued growth in public infrastructure spending and housing starts will lead to continued demand for construction materials; specifically aggregates. MLM has a demonstrated history of success during challenging times, as evidenced by its ability to remain profitable and maintain its dividend during the Great Recession.

Sold

Lamb Weston Holdings, Inc. (LW) is a leading global producer, distributor, and marketer of value-added frozen potato products; primarily french fries. The slower pace of restaurant re-openings in the US and Europe remains a formidable headwind to the company's results. As a result, Lamb Weston is unlikely to see a return to normalized levels of sales or margins in either the short or intermediate term.

Outlook

Much about the virus and reactions to it have been politicized and will remain so through the election. The financial markets, however, are weighing the intensity of the virus's second wave with the stronger than anticipated summer economic reports. New case clusters appear overwhelmingly to be affecting younger cohorts as schools and colleges are reopening to mixed success. However, the strain on hospitals and the medical system is being better managed and we are doing a better job protecting the vulnerable. Moreover, housing, consumer net worth, retail sales, and durable goods orders all indicate an economy expanding off deep lows.

Absent a severe virus resurgence, the economy should continue to gradually heal. The recovery's foundation was laid by the dual response of the Federal Reserve Bank (Fed) and the federal stimulus packages enacted in the spring. Most Fed programs are slow acting and are intended as long-term stimulus and fiscal programs target short-term impacts. To help bolster confidence and provide clarity, Federal Reserve Chairman Powell announced plans to keep short term rates anchored at under 0.25%, possibly through 2023. This unprecedented signaling should embolden long term investment as intermediate term interest rates are below inflation.

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.

Information is as of 9/30/2020

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

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 Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2019	33.7	33.2	31.5	11.1	11.9	394	0.86	205	8,445	12,528
2018	-0.9	-1.2	-4.4	10.3	10.8	359	0.36	161	7,102	10,234
2017	19.7	19.3	21.8	9.7	9.9	321	0.64	157	7,272	10,546
2016	13.6	13.2	12.0	10.1	10.6	254	0.46	119	5,693	8,139
2015	-2.8	-3.2	1.4	10.3	10.5	174	0.38	81	5,941	7,094
2014	11.6	11.2	13.7	8.6	9.0	111	0.29	65	6,328	7,449
2013	29.3	28.8	32.4	10.7	11.9	60	0.39	44	6,489	7,467
2012	8.9	8.6	16.0	n/a	n/a	24	0.80	12	6,755	7,498
2011	8.3	7.9	2.1	n/a	n/a	6	n/a	2	6,329	7,014
10/31/10 – 12/31/10	6.7	6.7	6.7			≤5	n/a	0.1	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 Dividend Growth Composite was created on November 1, 2010. This inception date reflects the first full month an account was fully invested in the strategy and met the inclusion criteria. The composite includes all fully discretionary accounts 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. Effective January 1, 2012 the Dividend Growth benchmark was changed retroactively from the S&P 500 Dividend Aristocrats and the Dow Jones U.S. Select Dividend indices to the S&P 500 index in order to better reflect the portfolio's broad equity strategy tailored to generate income for clients. Prior to January 1, 2012 the S&P 500 Dividend Aristocrats was the stated primary benchmark and the Dow Jones U.S. Select Dividend was the stated secondary benchmark. The performance of the S&P 500 Dividend Aristocrats and the Dow Jones U.S. Select Dividend indices is available upon request. 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.

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. 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. Presenting the three-year annualized ex-post standard deviation is not required for periods prior to 2011. 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 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.