CONGRESS ASSET MANAGEMENT COMPANY

1Q 2019

Portfolio Commentary

Large Cap Growth

Market Review

As negative economic reports increased over the first quarter, U.S. employment belied the trends and remained robust. The strongest employment economy in a generation is a powerful elixir for the slowdown in business investment. Low unemployment is a central reason we are confident that the U.S. consumer will continue to drive the economic expansion as 2019 progresses.

The consumer represents 70% of domestic spending and is now the primary growth driver of the U.S. economy and the global economy. The employment situation remains the most important element for consumers. Job openings breached the 7.5 million mark in the latest report. Wage growth is hovering around 3.5% which helped create a new high in personal savings. Consumer debt relative to incomes is at lows not seen since the early 2000's. While consumer spending patterns can be inconsistent, the supporting data indicate that the consumer has the financial wherewithal to spend as the year progresses.

Indeed, the stock market's remarkable first quarter recovery likely reflects the strong employment trends and the Federal Reserve's (Fed) recent pivot in strategy. After raising short term rates in December, the Fed has deferred further rate increases and announced a more gradual plan to shrink its balance sheet. The new path indicates the Fed is concerned about the strength of the economy. In addition, inflation remains stubbornly below the Fed's preferred 2% target. The lack of inflation is noteworthy – it implies that the Fed has leeway to keep rates lower for longer, even if we are at full employment.

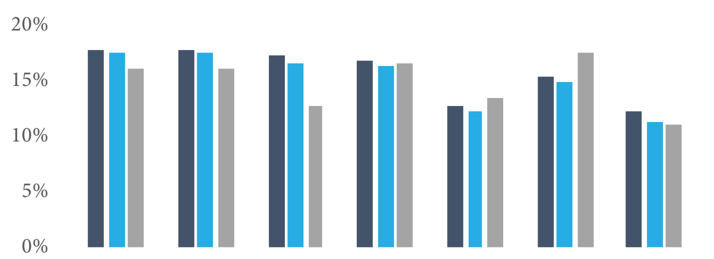
Performance Overview

The Congress Large Cap Growth Portfolio ("The Portfolio") returned 17.80% (gross of fees) during the first quarter, while the Russell 1000 Growth Index ("The Index") returned 16.10%.

The Portfolio benefited from security selection in the Health Care, Information Technology, Industrials, and Consumer Staples sectors.

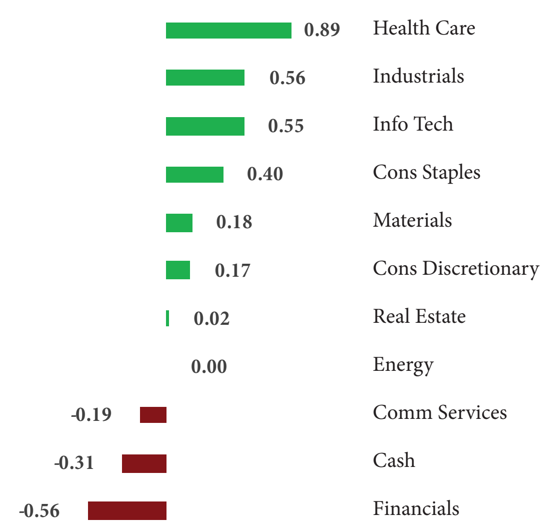
However, security selection in Financials detracted from relative performance, as did an underweight allocation in Information Technology relative to the Index.

Average Annualized Performance % as of 3/31/2019



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Large Cap Growth (Gross)	17.8	17.8	17.3	17.0	12.8	15.5	12.2
Large Cap Growth (Net)	17.7	17.7	16.8	16.4	12.3	15.0	11.4
Russell 1000 Growth©	16.1	16.1	12.8	16.5	13.5	17.5	11.1

% Total Effect Portfolio vs. Index (12/31/2018 - 3/31/2019)



1Q 2019 Attribution Highlights

Overall Contributors

- Security selection in Health Care, Information Technology, Industrials & Consumer Staples

Overall Detractors

- Security selection in Financials
- Cash allocation
- Underweight allocation to Information Technology

Top 5 Contributors

Stock	Avg. Weight%	Contribution%
Xilinx, Inc.	3.53	1.51
PayPal Holdings Inc	3.11	0.71
Estee Lauder Companies, Inc.	2.75	0.71
Stryker Corporation	2.66	0.67
Cisco Systems, Inc.	2.64	0.64

Bottom 5 Contributors/Detractors

*Purchased During the quarter

Stock	Avg. Weight%	Detraction%
CME Group, Inc.	2.81	-0.39
*First Republic Bank	1.07	-0.04
UnitedHealth Group, Inc.	2.97	0.02
Charles Schwab Corporation	1.74	0.09
Clorox Company	2.31	0.11

Xilinx, Inc. (XLNX) designs and develops programmable devices (PLD) including field programmable gate arrays (FPGAs) as well as other forms that its customers program to specific logic functions. The company's strategy of leading-edge innovation is paying dividends as it reported very strong quarterly results. In addition, its more aggressive pursuit of new markets is driving increased win rates in both traditional applications and areas where it historically has not been very strong.

PayPal Holdings, Inc. (PYPL) is an online payments platform that enables digital and mobile payments on behalf of consumers and merchants worldwide. The company provides safer and simpler ways for businesses of all sizes to accept payments from merchant websites, mobile devices and applications, and offline retail locations. Despite weakness at eBay (accounts for 10% of revenues) as well as macro uncertainties, the company reaffirmed its full year outlook of over 20% growth (excluding the sale of the credit portfolio). This suggests that the company's core business is accelerating, driven by innovation, strong partnerships, and higher engagement.

Estee Lauder Companies (EL) is one of the world's leading manufacturers and marketers of quality skin care, makeup, fragrance, and hair care products that are sold under various brand names including Estee Lauder, Clinique, Le Mer, Aveda, and MAC. The company's strong quarterly results were powered by organic growth of 11%, an acceleration in China, an inflection in the Americas, and strong margin performance.

Stryker Co. (SYK) manufactures medical devices and equipment used in reconstructive hip and knee surgery, trauma, emergency medicine, and patient care. The company reported very impressive quarterly and full year results due to solid execution. Its MAKO robotic-arm assisted technology was particularly strong in the quarter as global installed base was at a record level. Management's guidance for 2019 was rather bullish due to a strong order book for MAKO and a robust pipeline of new product launches.

Cisco Systems, Inc. (CSCO) designs, manufactures, and sells Internet Protocol based networking products and services to the communications and information technology industries. Strong order growth across geographies and continued gains in software subscriptions led to revenues, margins, and EPS exceeding expectations in its most recent report. In addition, the company continues to see traction with its CAT9K product upgrade cycle that should lead to further positive results.

CME Group, Inc. (CME) provides electronic trading, offering the broadest range of global benchmark products across all major asset classes including futures and options. Following an extremely volatile market in Q4 which aided CME's volumes, Q1 saw market activity drop considerably. Additionally, with the Fed expected to take a pause on interest rate actions, the outlook for CME's interest rate business has been tempered.

First Republic Bank (FRC) is a rapidly growing private bank based in California, serving high net worth clients and businesses primarily in California (64% of loans), New York, and Boston with a differentiated client-centric, relationship-based business model that includes a "quarterback" of every relationship. Concerns that the Federal Reserve will not be raising interest rates near-term pressured FRC stock along with the entire banking industry. However, FRC did report a solid quarter with loan growth of over 20%, outpacing most banks which reported low to mid-single digit growth.

United Health Group, Inc. (UNH) provides health care coverage, software, and data consultancy services through the following business segments: UnitedHealthcare, OptumHealth (provides health services to various marketplaces), OptumInsight (software and information services), and OptumRX (pharmacy benefits manager). The primary concern surrounding the company in the quarter was the acceleration of the medical cost ratio because of a pullback in Medicaid. However, UNH's other metrics exceeded expectations. Optum continues to be a standout with each of its businesses growing at a double-digit rate.

Charles Schwab Corp. (SCHW) engages in wealth management, securities brokerage, banking, asset management, custody, and financial advisory services. The company reported strong quarterly results primarily driven by higher net interest revenue as clients moved their assets to cash due to market volatility. However, concerns about the company's outlook because of uncertainty around client behavior on cash preferences led to caution by the Street.

Clorox Co. (CLX) is a leading multinational manufacturer and marketer of consumer products. The company markets some of the most trusted and recognized consumer brand names including its namesake cleaning products, Pine Sol cleaners, Liquid-Plumr clog removers, Fresh Step cat litter, and Glad bag, wraps, and containers. Despite challenges in certain businesses, the company reported organic growth of 3% in the quarter. In addition, CLX delivered on its promised second half margin expansion a quarter early. Even though the stock is one of the bottom contributors, it added 11 basis points to the Portfolio's quarterly returns.

1Q 2019 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• none	• Honeywell International, Inc. (HON) - Industrials	• Illinois Tool Works, Inc. (ITW) - Industrials
	• First Republic Bank (FRC) - Financials	• SunTrust Banks, Inc. (STI) - Financials

Purchased

Honeywell International, Inc. (HON) develops and manufactures technologies used to support connected systems that improve buildings, factories, utilities, and aircraft. The company continues to benefit from strong growth in its Aerospace and Safety and Productivity Solutions segments as well as successfully increasing its long-cycle exposure in attractive and growing segments. With its recent completion of the spin-off of two business units, the company is now more streamlined and focused. The remaining businesses are expected to achieve low-mid single digit organic growth, deliver expanding margins, and strong cash flows. HON has a history of growing dividends and recently boosted the payout 10%.

First Republic Bank (FRC) engages in private banking, business banking, real estate lending, and wealth management, including trust and custody services. The company focuses on high net worth individuals in growth regions of the U.S., mainly in the coastal cities of San Francisco/Silicon Valley, New York, and Boston. Its strategy of high-touch client service has led to client satisfaction that is twice the banking industry average and loan growth that is many multiples above the overall industry. Wealth management has become a key revenue growth driver, doubling its contribution to total revenue from under 7% in 2012 to over 14% today. As a result, FRC isn't as adversely affected by interest rate conditions.

Sold

Illinois Tool Works, Inc. (ITW) is a global manufacturer of a diversified range of industrial products and equipment serving the automotive OEM (original equipment manufacturer) tiers, commercial food equipment, construction, and general industrial end markets. The company reported two consecutive quarters of disappointing results driven by weakness in its Automotive OEM, Specialty Products, and Construction Products units. In addition, management guided 1Q19 results that were below expectations due to restructuring charges and currency headwinds.

SunTrust Banks, Inc. (STI) is a bank and financial holding company. It offers deposit, credit, mortgage banking, trust and investment, asset management, securities brokerage, and capital market services. The company's recent quarterly results have been primarily fueled by solid loan growth. However, net interest margin and deposit pressures will remain a concern as competition for new deposits intensifies. Also, the likelihood of the Fed not raising rates over the near term will negate what could have been a tailwind for banks.

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 two purchases and two sales in the Portfolio during the quarter, and they are reflective of this philosophy.

Outlook

Economic expansions typically grow at inconsistent rates. What is unique to the current expansion is its length of 10 years and its relatively subdued level of growth. Notably, we have yet to experience robust growth in consecutive years. With the Great Recession still in our short-term memory, investor sentiment is fragile. Recognizing this, the Fed acted quickly and decisively, assuaging investor concerns.

Government support for the economy extends beyond the Fed. Federal government spending is up 9% over this time last year. This fiscal stimulus, while not as efficient as private sector spending, should help boost economic growth. However, it is deficit financed, demonstrated by the government outspending tax receipts by 30% in the current fiscal year, a large amount that seems to increase each year. The bi-partisan nature of federal spending suggests that this practice will continue pushing payment to future generations.

The decline in market interest rates (the yield on the ten-year Treasury has fallen to around 2.5%) reflects the lack of inflation, tempered growth expectations, and negative yields in much of Europe. U.S. fixed income securities offer rates and safety not available elsewhere. We view the low rates as an inducement to invest in U.S. assets more than a sign of an imminent economic collapse. The quadruple combination of a strong consumer, a responsive Fed, increased government spending, and low interest rates should help the economy overcome this global slowdown.

The U.S. remains the preferred investment destination as growth, albeit slower than a year ago, is faster than most of the developed world. Stocks are valued near historical averages with interest rates and inflation at generational lows. The fits and starts aspect of the global economy is likely to continue, but U.S. companies have proven to be agile and are poised to respond as the economy regains momentum.

Information is as of 3/31/2019

Congress Asset Management Co. Large Cap Growth Composite 1/1/2009 - 3/31/2019

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P 500 Return % (dividends reinvested)	Russell 1000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P 500 3-Yr annualized ex-post St Dev (%)	Russell 1000 Growth 3-Yr St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ milions)	Total Firm Assets End of Period # ($ millions)
2018	2.5	2.1	-4.4	-1.5	10.5	10.8	12.1	80	0.30	136	7,102	10,234
2017	27.2	26.6	21.8	30.2	9.9	9.9	10.5	78	0.58	111	7,272	10,546
2016	5.6	5.1	12.0	7.1	10.7	10.6	11.2	81	0.43	98	5,693	8,139
2015	2.8	2.2	1.4	5.7	11.1	10.5	10.7	28	0.49	65	5,941	7,094
2014	10.1	9.5	13.7	13.1	10.1	9.0	9.6	30	0.47	89	6,328	7,449
2013	30.5	30.0	32.4	33.5	12.5	11.9	12.2	35	0.50	233	6,489	7,467
2012	11.9	11.5	16.0	15.3	15.2	15.1	15.7	39	0.40	302	6,755	7,498
2011	3.5	3.1	2.1	2.6	17.0	18.7	17.8	45	0.66	463	6,329	7,014
2010	11.8	11.3	15.1	16.7				50	0.31	537	6,416	6,678
2009	28.0	27.4	26.5	37.2				57	0.79	495	5,263	5,463

#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 – 6/30/18. 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. The Large Cap Growth Composite has been examined for the periods 1/1/96 – 12/31/17. 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 Large Cap Growth 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 $100 thousand (US dollars) managed in the large cap growth style for a minimum of one full month. The large cap growth strategy invests in the equity of high quality companies with market capitalizations greater than $5 billion exhibiting consistent earnings growth. The strategy may also invest from time to time in equity securities with capitalizations between $1 billion and $5 billion. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016 the composite minimum was $500 thousand (US dollars). Prior to September 1, 2005 the composite did not include taxable accounts, private client accounts, or accounts with less than $1 million. The primary composite benchmark is the S&P 500 Index. The secondary benchmark is the Russell 1000 Growth Index. The benchmark returns are not covered by the report of independent verifiers. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. A 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, composites are 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 Large Cap Growth 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 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 2009 and 2010 as it is not required for periods prior to 2011. Prior to January 1, 1998 the equity returns of eligible balanced accounts were carved out and included in composite returns. These carveout returns were calculated by splitting each balanced account, extracting the equities data along with a pro-rata share of each cash transaction. Prior to January 1, 1993 the composite is not in compliance with GIPS.

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.