CONGRESS ASSET MANAGEMENT COMPANY

2Q 2019

Portfolio Commentary

Large Cap Growth

Market Review

The U.S. economy continues to grow and is likely stronger than recent headlines imply, providing a level of comfort for domestic investors. There are, however, two fault lines underneath the global economy: slowing momentum in Europe, China, and the United States; and rising trade tensions. The two lines are interdependent and in combination add an increasing level of uncertainty to economic prognosticators.

The financial markets felt the effects of increasing uncertainty in the second quarter. Bond yields fell to about 2% for the U. S. Treasury 10-year note, a level not seen since 2017. Stocks gyrated, particularly in May as trade tensions spiked, yet finished the quarter up about 3%. Oil prices collapsed only to stabilize late in the quarter. The most significant of these moves may be the bond yields themselves.

A few months ago, it appeared that global central banks were set to end their decade long experiment in quantitative easing by decreasing their own balance sheets and raising rates. As recently as December, the Federal Reserve (Fed) hiked short-term rates in the U.S. As the quarter progressed, it became clear that both domestic and global momentum had slowed, precipitating a U-turn by central banks. Interest rate increases are now on hold and balance sheets are as likely to expand as they are to shrink.

The Fed and other central banks have the ability (and it appears the inclination) to react to weakening indicators because of subdued inflation readings. To be sure, developed economies world-wide remain in a systemically low inflation environment. Rarely have we experienced this phenomenon. The implications are far ranging and include negative interest rates in Europe and low rates elsewhere, adversely effecting both pensioners and investors.

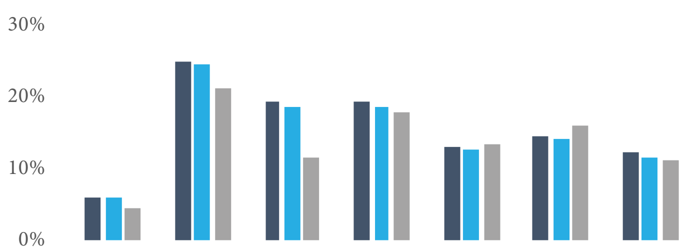
Performance Overview

The Congress Large Cap Growth Portfolio ("The Portfolio") returned 6.1% (gross of fees) during the first quarter, while the Russell 1000 Growth Index ("The Index") returned 4.6%.

The Portfolio benefited from security selection in Industrials, Health Care, and Materials. In addition, an overweight allocation to Financials added to relative performance during the quarter.

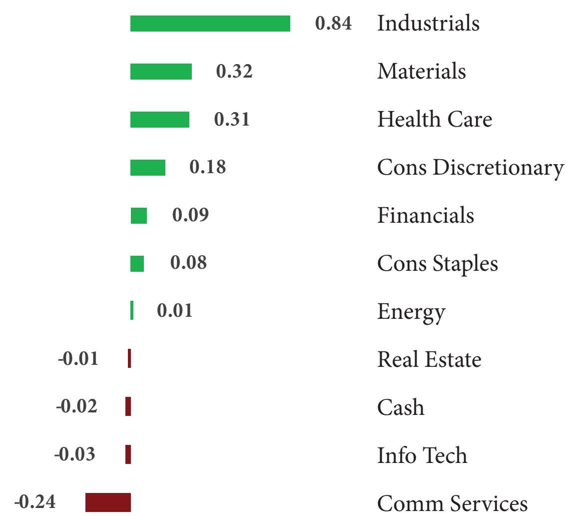
However, security selection in Communication Services and Financials detracted from performance, as did an overweight allocation to Health Care and an underweight allocation to Information Technology.

Average Annualized Performance % as of 6/30/2019



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Large Cap Growth (Gross)	6.1	25.0	19.4	19.3	13.2	14.7	12.3
Large Cap Growth (Net)	6.0	24.7	18.9	18.8	12.6	14.2	11.5
Russell 1000 Growth©	4.6	21.5	11.6	18.1	13.4	16.3	11.1

[1]% Total Effect Portfolio vs. Index (3/31/2019 - 6/30/2019)



Information is as of 6/30/2019. Sources: Congress Asset Management, FactSet, Russell Investments, and Informa Investment Solutions. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings and sector weightings 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. 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® presentation for the composite. Performance returns of less than one year are not annualized. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Neither Russell nor its licensors accept any liability 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 6/30/2019. Actual client account holdings and sector allocations may vary.

2Q 2019 Attribution Highlights

Overall Contributors

- Security selection in Industrials, Health Care & Materials
- Overweight allocation to Financials

Overall Detractors

- Security selection in Communication Services & Financials
- Overweight allocation to Health Care
- Underweight allocation to Information Technology

Top 5 Contributors

Stock	Avg. Weight%	Contribution%
CME Group, Inc.	2.87	0.51
Air Products & Chemicals, Inc.	2.23	0.41
Progressive Corporation	3.33	0.38
PayPal Holdings, Inc.	3.63	0.36
Northrop Grumman Corp.	1.87	0.36

Bottom 5 Detractors

*sold during the quarter

Stock	Avg. Weight%	Detraction%
Xilinx, Inc.	3.15	-0.25
Alphabet, Inc.	2.18	-0.19
Intuitive Surgical, Inc.	1.97	-0.19
A. O. Smith Corp.	1.33	-0.17
*Clorox Company	0.71	-0.14

CME Group, Inc. (CME) provides electronic trading, offering the broadest range of global benchmark products across all major asset classes including futures and options. With 90% share of the global futures trading and clearing services markets, the company is benefiting from market volatility, reporting very strong volume growth.

Air Products and Chemicals, Inc. (APD) is the world's largest supplier of hydrogen and has built positions in growth markets such as helium and natural gas liquefaction. The company reported strong volume growth and pricing actions across its businesses. Long term growth and margin expansion will be driven by gasification projects as the company continues to deploy capital in this area.

Progressive Corporation (PGR) is an insurance holding company that provides personal and commercial auto insurance, residential property insurance, and other specialty property-casualty insurance. The company continues to generate impressive net written premiums growth as well as strong underwriting margin that have both exceeded management's expectations.

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 at offline retail locations through a wider range of payment solutions. The company reported strong revenue growth that exceeded management's long-term algorithm of 17%-18% despite the headwind from its eBay business. Venmo continues to be the standout, driven by rapid monetization of the service.

Northrop Grumman Corporation (NOC) provides products, systems, and solutions in autonomous systems, cyber, command, control, communications and computers, intelligence, surveillance and reconnaissance, strike and logistics, and modernizations. The company reported segment operating margin expansion driven by strength across its businesses. Elsewhere, the earlier than expected revenue synergies from the Orbital acquisition have resulted in solid award growth in the space and missile areas.

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 stock was pressured due to margin deterioration, a result of margin imbalance (heavy concentration in lower margin 5G business) as well as weakness in the Data Center business. Despite the underperformance, XLNX reported strong revenue growth and announced guidance that was well ahead of expectations.

Alphabet, Inc. (GOOGL) is a global technology leader focused on the way people connect with information. The company's segments generate revenues primarily by delivering relevant, cost-effective online advertising. The company reported a lackluster quarter as revenue increased only 17%, making it the first quarter since 1Q16 of revenue growth below 20%. While advertising was up 15%, it was a deceleration from the 20% growth reported last quarter. Elsewhere, hardware results were weak due to lower year-over-year sales of Pixel.

Intuitive Surgical, Inc. (ISRG) develops, manufactures, and markets the da Vinci Surgical System along with related instruments and accessories used in minimally invasive surgery. The stock's under performance was due to a rare earnings miss (company has reported results that exceeded expectations in 19 of the past 20 quarters), a result of increased research and development expense as the company continues to invest in next generation technologies. In addition, management noted that going forward, growth will be rather lumpy due to a greater proportion of its business coming in the form of operating leases, systems trade-ins, and lower cost X systems.

A.O. Smith Corp. (AOS) manufactures and markets water heaters and boilers for residential and commercial end markets. About 60% of the company's revenue is generated in the U.S. and more than 30% is generated in China. The company continues to be negatively impacted by the lack of consumer demand in China. In addition, North American sales were weaker than expected due to lower water heater installation volumes.

Clorox Company (CLX) is a leading multinational manufacturer and marketer of consumer and professional products. The company markets some of the most trusted and recognized consumer brand names including its namesake bleach and cleaning products, Pine Sol cleaners, Liquid-Plumr clog removers, Fresh Step cat litter, and Glad bag, wraps, and containers. Despite increasing prices across various products, organic growth decelerated in the quarter. In addition, a milder cold and flu season as well as increased competition in the Wipes category negatively impacted revenue growth. As a result, guidance for the full year was lowered.

2Q 2019 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Increase in Information Technology • Decrease in Consumer Discretionary & Materials	• Intuit, Inc. (INTU) - Information Technology • Procter & Gamble Co. (PG) - Consumer Staples	• Clorox Company (CLX) - Consumer Staples • Kontoor Brands, Inc. (KTB) - Consumer Discretionary • Ecolab, Inc. (ECL) - Materials

Purchased

Intuit, Inc. (INTU) is the market leader in consumer and professional tax software as well as small business accounting software. Global products and platforms include QuickBooks, TurboTax, Mint, and others which are designed to help customers run small businesses, pay employees, send invoices, separate business and personal expenses, track money, and file income taxes. With significant total addressable market left to capture INTU is well positioned to maintain its double-digit revenue growth and moderate operating margin expansion over the long term. In addition, Management have historically been great stewards of capital as evidenced by the consistently high ROIC (return on invested capital), steady dividend increases, and share repurchases.

Procter & Gamble Company (PG) is focused on providing various branded products to consumers worldwide. Its products are sold in over 180 countries through mass merchants, e-commerce, grocery stores, membership clubs, drug stores, department stores, etc. Some of the major brands include Tide, Bounty, Charmin, Pampers, Cascade, Mr. Clean, Vicks, Crest, Oral-B, Old Spice, Pantene, Gillette, Head & Shoulders, and Tampax. While results have been challenged over the past several years, the company's recent initiatives to focus on core products are starting to take hold as evidenced by improving organic growth and margin expansion. PG appears to be gaining share in many categories and has been able to modestly increase price to offset years of input cost pressure.

Sold

Clorox Company (CLX) is a leading multinational manufacturer and marketer of consumer and professional products. The company markets some of the most trusted and recognized consumer names including its namesake bleach and cleaning products, Pine Sol cleaners, Liquid-Plumr clog removers, Poett home care products, Fresh Step cat litter, and Glad bags, wraps, and containers. CLX's efforts to increase pricing on approximately half of its products negatively impacted volume growth and market share. As a result, the company is seeing challenges in various parts of its business including charcoal, wipes, liquid bleach, and bags and wraps.

Kontoor Brands, Inc. (KTB) is a $1.6B global lifestyle apparel company, with a portfolio comprised of some of the world's most iconic denim brands: Wrangler®, Lee® and Rock & Republic®. KTB was spun out of V.F. Corporation (VFC) effective on May 22, 2019, becoming an independent, publicly traded company. The newly formed company does not have the same financial characteristics or growth outlook of the parent company VFC.

Ecolab, Inc. (ECL) produces and markets cleaning and sanitation products for the hospitality, healthcare, water, energy, and industrial markets. The company's Global Energy segment has seen some volatility due to the rise and fall of the price of oil. In addition, ECL was slow to increase pricing to offset rising commodity costs. Finally, the stock appears to be stretched in terms of valuation, trading at 31x this year's EPS.

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 three sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increase the Portfolio's Information Technology weighting, while reducing the Consumer Discretionary and Materials weightings.

Outlook

The U.S. is not immune to economic lethargy. Spending on capital equipment has slowed and manufacturers are facing their own perfect storm: tariff-induced higher component costs, a strong dollar affecting overseas sales, and the anniversary of tax incentives, which pulled orders into 2018. Farmers in the corn belt are facing a trying year hindered by a wet planting season and curtailed exports. The bond market has noticed. While we do not face negative rates, part of the yield curve has inverted with some short-term bonds in the unusual position of yielding more than longer term bonds, indicating a recession could be in the offing. That inversion would likely disappear should the Fed lower rates as expected in July.

The current economic malaise represents more a pause in activity than a trend. Low interest rates act as both a warning to investors and a stimulant. The combined effect of low foreign rates and the Fed intimating a policy change has had the effect of lowering mortgage and loan rates. Lower rates will work through the economy over time and will increase home affordability and could foster investment in long lived assets, benefiting consumers and businesses.

May's headline job growth was weak, but it appears to be an outlier as other measures of employment remained strong and workers' compensation continues to improve. In a positive development, productivity rose over 3%, the highest level this cycle, with positive implications for efficiency, profitability, and inflation.

Whether consumer spending, backed by strong employment metrics, will be enough to offset sluggish business spending and keep the economy on a growth path remains to be seen. A decade of recovery after the financial

Information is as of 6/30/2019

crisis has left the consumer in a strong position, though. Consumer debt burden is very manageable, household net worth is at its highest level and continues to grow, and the savings rate at over 6% suggests that the consumer can support the economy in the face of business uncertainty.

To a large extent, the challenges facing the economy and markets now result from uncertainties caused by a significant change in our trade policies. Global trade has been espoused and endorsed by most countries for decades as a source of growth and the best method to improve their standards of living. Laws and business practices had adapted to encourage the flow of goods and services. Brexit and tariff concerns have changed this global view. Trade policies are in flux with no clear end game in sight. Stock markets are likely to react to every pronouncement, positive or negative, with the unintended effect of increased market volatility.

Restrictive trade policies will affect growth to some degree but are unlikely in themselves to cause a recession. By July, the U.S. expansion will have reached the ten-year mark and will have become the longest domestic expansion on record. More than 20 million jobs have been created in the last decade, unemployment is at 50-year lows, and inflation remains benign. Economic momentum is strong enough to withstand the current round of trade friction.

Financial markets are understandably jittery given the ever-changing trade environment. Bond yields are low by historical standards but provide an attractive return relative to other developed nations. Stocks are likely to be more volatile as investors digest how trade dynamics will affect future earnings. Longer term, stocks remain the preferred asset class.

Congress Asset Management Co. Large Cap Growth Composite 1/1/2009 - 6/30/2019

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 – 12/31/18. 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 – 12/31/18. 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.