Portfolio Commentary

Large Cap Growth

Market Review

Ten years after the financial crisis, the United States economy is the strongest it has been since 2004. Gross domestic product was revised up for the second quarter to 4.2%, the strongest reading in about 4 years. The expansion has been driven by a robust labor market, low inflation, and more recently, tax cuts and deregulation.

The domestic financial markets have noticed. Bolstered by strong corporate earnings reports, the S&P 500 returned 7.7% during the third quarter. Two stalwarts, Apple and Amazon, both eclipsed $1 trillion in market capitalization. Bond investors have been more recalcitrant. Fearing growth-induced inflation, ten-year treasury bond yields fluctuated throughout the quarter, ending near their high of 3.10%.

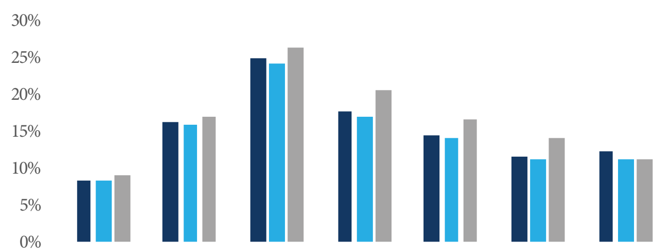
The summer months exposed the divergent paths of the U.S. economy and those of the major European countries. The U.S. continues to accelerate while France, Germany, Italy, and the U.K. stagnate. China's official growth rate remains above 6%, but its stock market, along with many in emerging economies, has struggled this year.

Performance Overview

The Congress Large Cap Growth Portfolio ("The Portfolio") returned 8.53% (gross of fees) in the Third Quarter while the Russell 1000 Growth Index© ("The Index") returned 9.17%.

The Portfolio benefited from security selection in the Consumer Discretionary, Materials, and Financial sectors. However, security selection within Industrials and Information Technology detracted from relative performance during the quarter. In addition, an overweight allocation to Financials for the Portfolio relative to the Index hindered performance.

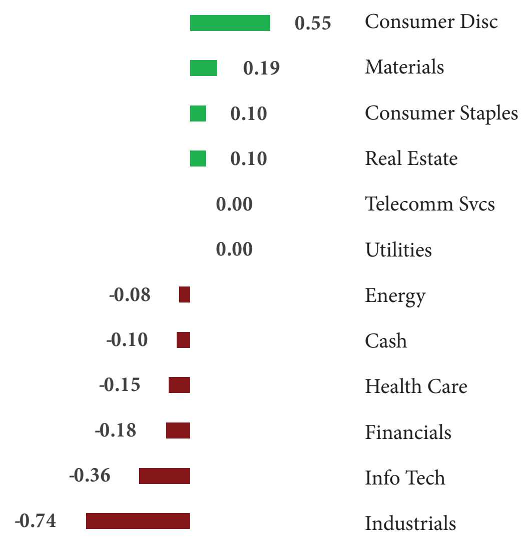
Average Annualized Performance % as of 9/30/2018 - Preliminary



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Large Cap Growth (Gross)	8.5	16.5	24.9	17.8	14.6	11.8	12.3
Large Cap Growth (Net)	8.4	16.1	24.3	17.2	14.0	11.3	11.4
Russell 1000 Growth©	9.2	17.1	26.3	20.6	16.6	14.3	11.3

Performance is Preliminary and subject to change

% Total Effect Portfolio vs. Index (6/30/2018 - 9/30/2018) (bps)



3Q 2018 Attribution Highlights

Overall Contributors

- Security selection in Consumer Discretionary, Materials & Financials

Overall Detractors

- Security selection in Industrials & Information Technology
- Allocation to Financials

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight	Contribution
Apple, Inc.	3.24%	0.68%
Amazon.com, Inc.	3.71%	0.63%
Progressive Corporation	2.55%	0.48%
TJX Companies, Inc.	2.64%	0.46%
Intuitive Surgical, Inc.	2.31%	0.44%

Detractors

Stock	Avg. Weight	Detraction
*Facebook, Inc. - Class A	1.54%	-0.29%
A.O. Smith Corporation	1.80%	-0.16%
Analog Devices, Inc.	2.63%	-0.07%
Charles Schwab Corporation	1.91%	-0.07%
Chevron Corporation	1.73%	-0.05%

*sold during the quarter

Apple, Inc. (AAPL) designs, manufactures, and markets mobile communication, media devices, personal computers, and portable digital music players. The stock posted strong returns in the quarter as the company reported excellent results. AAPL's pricing strategy within the high-end smartphone market is working well. Consumer demand is strong for innovative products with higher price points as evident in the year-over-year price increases along with stable volume shipments.

Amazon.com, Inc. (AMZN) is the world's leading online retailer operating as both a direct seller of goods and a platform for third-party sellers to distribute their products. AMZN also provides web infrastructure services to business customers through its Amazon Web Services (AWS). AMZN continues to demonstrate its dominant market position in eCommerce and Web Services. This was the second consecutive quarter in which AMZN delivered strong leverage and significant upside to operating income.

Progressive Corporation (PGR) is an insurance holding company that provides personal and commercial auto insurance, residential property insurance, and specialty property-casualty insurance. Accelerating premium rates and policies in force helped propel better underwriting margins in the quarter. PGR's direct model is providing a competitive advantage in the marketplace.

TJX Companies, Inc. (TJX) is the leading off-price apparel and home fashion retailer operating through Marmaxx, HomeGoods, TJX Canada, and TJX Europe. TJX reported another solid quarter driven by same store sales growth of 6% and broad-based strength across segments, geographies, and categories.

Intuitive Surgical, Inc. (ISRG) develops, manufactures, and markets the da Vinci Surgical System along with related instruments and accessories used in minimally invasive surgery. ISRG reported double digit growth in procedures and its installed base. In addition, mature procedure growth in the U.S. continues to exceed expectations. Elsewhere, ISRG submitted a pre-market notification to the U.S. FDA for its new flexible robotic-assisted catheter-based platform, which is designed to navigate through very small lung airways to reach peripheral modules for biopsies.

Facebook, Inc. Class A (FB) is a social networking platform with nearly two billion monthly active users. FB reported a disappointing quarter as ad revenue decelerated, particularly in mobile. Europe decelerated faster than the U.S. due to currency headwinds and the newly instituted General Data Protection Regulation (GDPR). In addition, average price per ad rates decelerated quarter over quarter (+17% vs. +39%).

A.O. Smith Corp. (AOS) manufactures and markets water heaters and boilers for residential and commercial end markets. Nearly 60% of AOS's revenue is generated within the U.S. and approximately 30% is generated in China. AOS reported a mixed quarter as North America sales increased 14% while China sales only increased 4%.

Analog Devices, Inc. (ADI) designs, manufactures, and markets analog, mixed signal processing, and integrated circuits used in almost all types of electronic equipment. Despite reporting solid quarterly results, the stock declined primarily attributed to the cyclical/macro issues that have plagued the entire semiconductor space.

Charles Schwab Corporation (SCHW) engages in wealth management, securities brokerage, banking, asset management, custody, and financial advisory services. SCHW's underperformance during the quarter was primarily due to declining client cash balances as investors re-risk their assets. This lowers SCHW's available interest earning assets.

Chevron Corporation (CVX) engages in the business of integrated energy and chemical operations. CVX reported a mixed quarter primarily due to timing effects (timing of the turnaround within the refinery business). The Energy sector was also the weakest performing within the Russell 1000 Growth Index.

3Q 2018 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Decrease in Consumer Discretionary	• Xilinx, Inc. (XLNX) - Information Technology	• Facebook, Inc. (FB) - Information Technology • BorgWarner, Inc. (BWA) - Consumer Discretionary

Purchased

Xilinx, Inc. (XLNX) designs and manufactures field programmable gate arrays (FPGAs), integrated circuits designed to be configured by a customer after manufacturing. XLNX has developed a solid product foundation over the last ten years which has led to a significant lead over its competitors. XLNX is transitioning to a new CEO that will target higher growth opportunities such as Industrial IoT, Data Centers, and 5G. XLNX should continue to enjoy the benefit of expanding growth of programmable logic devices, given the flexibility and cost advantages compared to alternatives that typically layer on software for specific application purposes.

Sold

Facebook, Inc. (FB) is a social networking company that allows people to communicate with their family, friends, co-workers, etc. FB's products include Facebook, Instagram, Messenger, WhatsApp, and Oculus. Over the last few quarters, FB's daily active users (DAU) and monthly active users (MAU) growth rates have steadily declined from the high teens to low teens. Revenue growth is expected to decelerate as the company focuses on user engagement in areas such as Stories, which have lower levels of monetization compared to passive consumption areas such as News Feed. In addition, margins will be negatively impacted by significant investments in core product development and infrastructure around video and messaging as well as safety/security, augmented reality (AR)/virtual reality (VR), and marketing.

Borgwarner, Inc. (BWA) produces automotive systems and components for powertrain applications. BWA products help improve vehicle performance, fuel efficiency, stability, and air quality. In recent quarters BWA has reported slowing organic growth trends and weaker incremental margin performance. BWA will be undergoing a significant shift in its product lineup from combustion engines to hybrid and electric engines. Elsewhere, industry concerns surrounding the declining level of auto sales, Europe shifting away from diesel engines, and the impact of tariffs have all negatively impacted the BWA's stock performance.

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 was one purchase and two sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially decreased the Consumer Discretionary weighting.

Outlook

The strength in employment supports long term growth, spending, and consumer confidence. Yet, the saving rate at 6% is elevated given the strong job market. This may reflect the caution younger workers have given the depth of the last recession and the difficulty they experienced in finding jobs. It may also act as an economic cushion and provide an impetus for future spending.

Somewhat tempering our enthusiasm are moderating housing and automobile markets. Mortgage rates have ticked up, coinciding with lower levels of home sales. At the same time, domestic and global auto sales may have peaked for this cycle. Both housing and automobiles have broad influence and affect spending across the economy.

It appears that businesses will make up for any slack on the consumer side. Small business optimism is close to record highs and applications for new Employer Identification Numbers indicate that entrepreneurial drive is not dead and is in fact flourishing. Orders for capital goods continue to improve while the ISM Manufacturing Index is solidly in expansionary territory. In response to the tax changes enacted this year, companies are repatriating cash and investing in capital equipment. Regulatory relief is deflationary and over time encourages new business investment and fosters competition.

The technology sector has been an outsized recipient of business spending as the digital economy is transforming work flow and information gathering. Data now has value and how organizations store, analyze, and use data will continue to transform our economy for many years. Technology companies are the natural beneficiaries of this trend. The productivity benefits also accrue to technology users who can experience enhanced efficiencies amongst other ancillary benefits.

Both the stock and bond markets have done well over the past decade. The risks to both are vastly different than they were ten years ago. Inflation, for one, has started to percolate. The Fed remains concerned about inflation's erosion of asset values. In response, the Fed raised short term rates in September and suggested they will maintain a course of gradual increases over the next year. At current levels, U. S. interest rates remain an attractive alternative to interest rates available in many other developed nations. Therefore, it is difficult to predict how either the stock or bond market responds to Fed initiated short term rate hikes.

Of considerable concern to markets is the fluidity of U.S. trade policy. Negotiations with our North American partners are largely complete. Talks with China, however, have stalled, and it is unclear whether the issues are about trade policy or the protection of intellectual property rights.

Information is as of 9/30/2018

In the short term, trade uncertainty weighs on exporters and those that source product from China. Longer term, tariffs are generally considered inflationary and hinder growth. However, organizations eventually adapt to policy changes and predicting winners and losers is not as obvious as it may appear.

As the fourth quarter progresses, we look for the economic momentum to continue. The U.S. economy's potential is greater now than it was a few years ago allowing for stronger, non-inflationary growth. Consumers and businesses should both continue to fare well. Treasury yields at greater than 3% are attractive, but stocks remain the preferred asset class.

Congress Asset Management Co. Large Cap Growth Composite 1/1/1985 - 6/30/2018

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 ($ millions)	Total Firm Assets End of Period # ($ millions)
YTD	7.3	7.1	2.7	7.3	n/a	n/a	n/a	87	n/a	162	7,444	10,862
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
2008	-34.3	-34.6	-37.0	-38.4				51	0.53	383	4,292	4,371
2007	12.4	11.9	5.5	11.8				85	0.63	710	5,812	5,846
2006	9.1	8.1	15.8	9.1				88	0.49	597	5,464	5,469
2005	6.4	5.3	4.9	5.3				82	0.36	477	4,750	4,751
2004	14.2	13.1	10.9	6.3				17	0.55	375	3,844	3,844
2003	19.5	18.3	28.7	29.8				17	0.57	396	3,697	3,697
2002	-17.3	-18.1	-22.1	-27.9				18	0.43	295	3,312	3,312
2001	-14.5	-15.3	-11.9	-20.4				17	0.57	296	3,147	3,147
2000	-5.5	-6.4	-9.1	-22.4				18	1.29	329	3,183	3,183
1999	25.8	24.6	21.1	33.2				18	1.02	428	3,002	3,002
1998	26.3	25.0	28.6	38.7				16	1.23	364	2,496	2,496
1997	31.8	30.5	33.4	30.5				23	1.61	470	1,970	1,970
1996	25.5	24.2	23.0	23.1				18	1.05	361	1,512	1,512
1995	35.0	33.7	37.6	37.2				8	1.36	231	1,308	1,308
1994	2.9	1.9	1.3	2.7				8	0.98	111	1,041	1,041
1993	6.8	5.8	10.1	2.9				8	1.03	93	956	956
1992	5.4	4.3	7.6	5.0				≤5	n/a	65	926	926
1991	34.1	32.9	30.5	41.2				≤5	n/a	65	691	691
1990	5.3	4.3	-3.1	-0.3				≤5	n/a	46	632	632
1989	36.7	35.5	31.7	35.9				≤5	n/a	46	629	629
1988	7.0	6.0	16.6	11.3				≤5	n/a	55	577	577
1987	8.0	6.9	5.3	5.3				≤5	n/a	23	464	464
1986	22.8	21.7	18.7	15.4				≤5	n/a	25	415	415
1985	49.1	47.7	31.7	32.9				≤5	n/a	4	205	205

#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 – 12/31/17. 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. The standard deviation is not presented for 1985 through 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.