

Portfolio Commentary

Large Cap Growth

Market Review

Rarely is there such dramatic change in one quarter. The fourth quarter of 2019 was the exception, with major policy developments in several arenas providing at least partial relief from the tensions festering in the summer. Domestically, the Federal Reserve Board (Fed) reduced its federal funds rate by one quarter of one percent during October, the third reduction since July, cementing the reversal of its raise one year prior. The Fed also committed to reflating its balance sheet once again, allaying fears of a credit crunch in short term investment funding circles. The uncharacteristically bold actions by the Fed signaled that they understood clearly the threats to the financial markets from higher rates and economic slowdowns in Europe and China.

The relaxation of trade tensions signaled that both the United States and China realized spiraling trade restrictions dampen sentiment and elevate uncertainty, hindering capital investment. Whether the détente lasts through the new year remains to be seen but a spirit of cooperation broke out in North America with the recently passed USMCA trade deal between the U.S., Mexico, and Canada.

Foreign governments and central banks took their cues from the Fed. To combat the economic pause experienced in 2019, central banks began expanding their balance sheets again, pumping money into the

banking system to induce more investment. In addition, over the past few months, over 60 central banks cut interest rates including Mexico, Russia, Turkey, and Brazil. Interest rate and short-term funding arrangements are perceived to be the quickest method to shore up sagging economies.

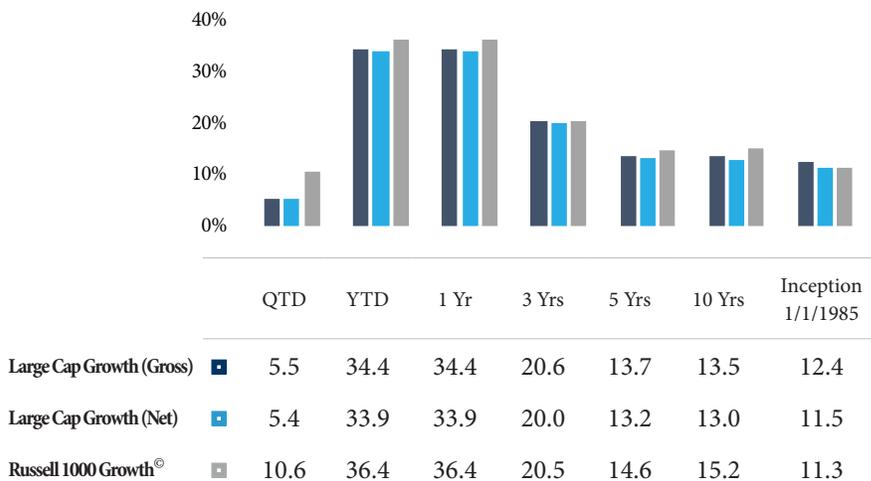
The uncoordinated policies had a salutary effect on U.S. markets. Stocks and bonds had their biggest simultaneous gains in over two decades. The S&P 500 returned about 30% for the year and bond prices rose, pushing the yield on the benchmark 10-year Treasury to under 2%. Oil and gold also returned over 10% for the year.

Performance Overview

The Congress Large Cap Growth Portfolio (“The Portfolio”) returned 5.47% (gross of fees) during the Fourth quarter, while the Russell 1000 Growth Index (“The Index”) returned 10.62%.

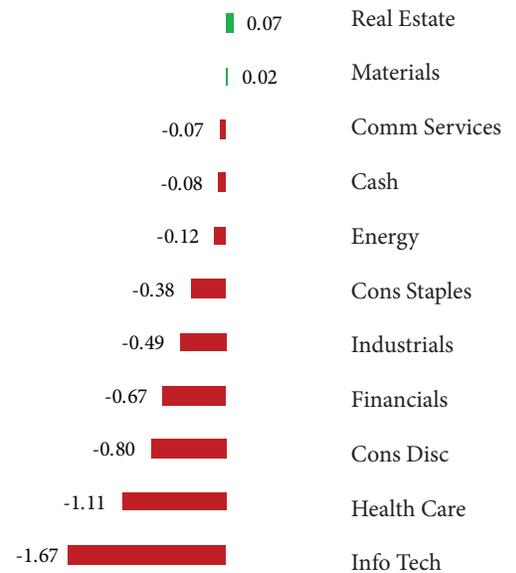
The Portfolio benefited from security selection in the Materials sector. However, security selection in the Information Technology, Health Care, Consumer Discretionary, and Financials sectors detracted from performance during the quarter.

Average Annualized Performance % as of 12/31/2019



Performance is preliminary and subject to change

% Total Effect Portfolio¹ vs. Index (9/30/2019 - 12/31/2019)



Information is as of 12/31/2019. 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.

¹The information shown is for a representative account as of 12/31/2019. Actual client account holdings and sector allocations may vary.

4Q 2019 Attribution Highlights

Overall Contributors

- Security selection in Materials

Overall Detractors

- Security selection in Information Technology, Health Care, Consumer Discretionary & Financials

Top 5 Contributors

STOCK	AVG. WEIGHT%	CONTRIBUTION%
Apple Inc.	2.85	0.81
Adobe Inc.	3.45	0.65
Vertex Pharmaceuticals Inc.	1.86	0.49
First Republic Bank	2.17	0.44
ANSYS, Inc.	2.38	0.38

Apple Inc. (AAPL) is the world's largest information technology company. Its core products are the iPhone, iMac, and the iPad. The company has also built a sizable software and service business through its App Store. In the most recent quarter, iPhone revenue growth improved steadily driven by robust demand for newer models of the smartphone. Other areas showed strong sales, such as Apple's wearable products where total addressable market penetration is still low.

Adobe Inc. (ADBE) offers a line of software and services that help its customers create and deliver the most compelling content and web applications in a streamlined workflow and optimize those experiences for a greater return on investment. The company's Digital Experience segment rebounded after reporting disappointing numbers for the prior quarter. Elsewhere, Digital Media continues to generate solid results with net new annual recurring revenue easily exceeding expectations.

Vertex Pharmaceuticals Inc. (VRTX) develops and commercializes therapies for the treatment of cystic fibrosis as well as advancing its research and development programs in other areas. The company participates in a cystic fibrosis market that is expected to reach \$13.9 billion by 2025. Management announced that the FDA approved the company's cystic fibrosis triple combo drug TRIKAFTA five months earlier than expected. Elsewhere, the company finally reached an agreement with the National Health Service (NHS) in England for access to all currently licensed and future indications of VRTX's cystic fibrosis medicines.

First Republic Bank (FRC) is a rapidly growing private bank serving high net worth clients and businesses with a differentiated, client-centric, relationship-based business model that includes a "quarterback" for every relationship. The stock's outperformance was driven by 20% loan growth in the latest quarter, far outpacing most of its peers.

ANSYS, Inc. (ANSS) is an engineering simulation software company that services engineers, designers, researchers, and students across a broad spectrum of industries. The company reported a very solid quarter as underlying metrics continue to point to a healthy spending environment, particularly the annualized contract value (ACV) growth, which is ahead of management's initial guidance due to increased penetration of large, multiphysics deals.

Bottom 5 Detractors

STOCK	AVG. WEIGHT%	DETRACTION%
Etsy, Inc.*	0.76	-0.46
Progressive Corporation	2.92	-0.21
Northrop Grumman Corp.*	1.58	-0.18
Home Depot, Inc.	2.55	-0.14
CME Group Inc. - Class A	3.00	-0.11

*sold during the quarter

CME Group, Inc. Class A (CME) provides electronic trading, offering the broadest range of global benchmark products across all major asset classes including futures and options. With a large interest rate complex as part of its business, the increased clarity on what the near term Fed interest rate actions will be decreases the demand for some of CME's products. Also, a less volatile market adds risk to CME's future revenue.

Home Depot, Inc. (HD) is the world's largest home improvement specialty retailer with over 2,200 retail stores in North America. HD delivered a subpar quarter as internal missteps forecasting the benefits of its strategic initiatives and higher shrink (employee theft, etc.) led to a reduction in revenue and same store sales guidance.

Northrop Grumman Corporation (NOC) is a leading global aerospace and defense technology company. The stock's weakness was primarily due to disappointing quarterly results as revenue and segment margins missed estimates. In addition, guidance for 2020 was below expectations. As a result, the stock was sold from the Portfolio.

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 reported a disappointing quarter as premium growth decelerated at a higher rate than recent trends. However, it was facing a difficult year-over-year comparison for that metric. Underwriting margin was also a disappointment.

Etsy, Inc. (ETSY) operates an online global marketplace for unique and creative goods such as shoes, clothing, bags, and accessories. Etsy's reported third quarter saw it lower full year EBITDA guidance due to pressures coming from new marketplace sales taxes and unexpected negative impacts from its free shipping initiative. Etsy also closed on its acquisition of Reverb.com and implemented a new Etsy Ads platform. The combination of all these moving pieces impacted investors' confidence in management's ability to successfully deliver on their growth plans. As a result, the stock was sold from the Portfolio.

4Q 2019 Transaction Summary

Sector Allocation Changes	Purchased	Sold
<ul style="list-style-type: none"> • Increase in Information Technology & Communication Services • Decrease in Consumer Discretionary & Industrials 	<ul style="list-style-type: none"> • Motorola Solutions, Inc. (MSI) - Information Technology • Dover Corporation (DOV) - Industrials • Facebook, Inc. - Class A (FB) - Communication Services 	<ul style="list-style-type: none"> • Verisk Analytics, Inc. (VRSK) - Industrials • Etsy, Inc. (ETSY) - Consumer Discretionary • Northrop Grumman, Inc. (NOC) - Industrials

Purchased

Motorola Solutions, Inc. (MSI) provides mission-critical communication devices targeting government, state and local public safety, and first-responder markets, as well as commercial and industrial customers utilizing private communications networks. The company has a virtual monopoly position in the land mobile radio (LMR) market amongst public safety end-users (particularly in the U.S.), which has only become more solidified given regulation against and general movement away from Chinese competitors. In addition, call center upgrades represent an opportunity for MSI's platform solutions. Underlying profitability should also continue to improve given a more favorable pricing environment and efficiency initiatives.

Dover Corporation (DOV) is a diversified global manufacturer delivering innovative equipment and components, specialty systems, consumable supplies, software and digital solutions, and support services through three operating segments: Engineered Systems, Fluids, and Refrigeration & Food Equipment. Over the last few years, DOV has transitioned from a company with high cyclicalities to one with a stronger portfolio, more growth exposure, and synergy across operating units. The critical nature of DOV products to its customers provide significant barriers to displacement, substantial recurring revenue, and long product cycles.

Facebook Inc. Class A (FB) is a social networking company that allows people to communicate with family and friends. With over 2 billion monthly active users, FB is one of the biggest social networking sites. The company's Facebook, Instagram, WhatsApp, and Messenger apps are among the world's most widely used on both the Android and iPhone. Growth in users and user engagement, as well as the valuable data that FB generates make it attractive to advertisers. Finally, the company is taking steps to expand its monetization initiatives, such as launching interactive video ads and chatbots.

Sold

Verisk Analytics Inc. (VRSK) is a leading data analytics provider serving customers in insurance, natural resources, and financial services. Over the past few quarters, the company's margins having

been declining, thereby limiting earnings growth. Growth in the Financial Services business decelerated recently despite easier year-over-year comparisons.

Etsy, Inc. (ETSY) operates an online global marketplace for unique and creative goods such as shoes, clothing, bags, and accessories. The lack of quantification and communication surrounding the company's free shipping initiative, Etsy Ads, and the acquisition of Reverb have raised concerns about the future growth potential of the company.

Northrop Grumman, Inc. (NOC) is a leading global aerospace and defense technology company. The company's 2020 guidance was disappointing given the strong backlog and order growth in 2019. In addition, the Federal Trade Commission (FTC) is investigating whether NOC violated its consent agreement in its bid for the Air Force's \$85 billion Ground Based Strategic Deterrent contract.

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 three purchases and three sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Information Technology and Communication Services weightings, while reducing the Industrials and Consumer Discretionary weightings.

Outlook

In our opinion the outlook for equities is positive. After a strong 2019 however, it is not difficult to postulate a decline in equity values. At the very least a corrective phase seems a reasonable expectation, and inflammatory headlines constantly offer a rationale for things going dreadfully wrong. Headlines make very poor investment strategy. The gain in stock values in recent years reflects fundamental developments, many of them positive for equity valuations. These include the declines in interest rates and inflation, the best job market since the 1960s, technology induced capacity increases and productivity gains, and an improving housing market. Stock values will increasingly follow their

individual company and industry fortunes within a generally favorable overall environment for financial investments.

As we view the worldwide financial condition, we find the view of some that the rise in the price of financial assets represents a bubble about to burst, improbable. At virtually full employment, with rising real income wages, stable interest rates, and placid inflation conditions, the forces underpinning the rise are impressive. Despite political controversies, the United States remains an island of stability and a paragon of growth and opportunity in a destabilized world. This does not mean the coming year will be free of crises and just as in the past three years, sudden and steep corrections will occur. A focus on fundamental and a longer-term horizon will serve investors best in this environment.

Congress Asset Management Co. Large Cap Growth Composite 1/1/2009 - 12/31/2018

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 Dis- persion %	Total Com- posite Assets End of Period (\$ millions)	Total Firm Discretionary Assets End of Period (\$ millions)	Total Firm Assets End of Peri- od # (\$ 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.