

## Mid Cap Growth Strategy

**STRATEGY:** The strategy invests in a portfolio of 35-45 companies. Investments are predicated on a company's future prospects rather than economic or market cycles. We value consistent profitable growth versus a growth now, profits later approach.

**APPROACH:** We employ a bottom up fundamental process to identify investments in companies with improving fundamentals, emphasizing earnings growth consistency, free cash flow, and solid balance sheet metrics.

**BENEFIT:** Investing in companies positioned for growth coupled with risk management techniques seek to provide the foundation to build a high conviction portfolio with consistent return generation and lower realized volatility.

### Company Snapshot as of 9/30/2020

<b>Company Assets</b>	\$14.3 b
<b>Founded</b>	1985

Investment Committee	Company Tenure
Todd Solomon, CFA Committee Chair	2001
Gregg O'Keefe, CFA	1986
Amy Noyes, CFA	1996
John O'Reilly, CFA	2001
Nicholas Koup, CFA	2014

### Portfolio Construction

35-45 Holdings

2.5% Target initial weighting

5/15% Maximum allowance to security weight and industry, in general

Standard Deviation < Benchmark \*

Realized Beta < 1 \*

\*since inception

Performance is preliminary and subject to change

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

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception 10/1/1999
Congress Mid Cap Growth (Gross)	10.7	12.6	22.9	15.2	15.7	16.3	13.1
Congress Mid Cap Growth (Net)	10.6	12.2	22.3	14.7	15.2	15.7	12.3
Russell Midcap Growth*	9.4	13.9	23.2	16.2	15.5	14.6	8.7

<sup>1</sup> Characteristics	Mid Cap Growth	Russell Midcap Growth Index
Total Assets	\$5.3 b	-
Number of Holdings	40	341
Weighted Avg Market Cap	\$15.6 b	\$20.4 b
YTD Turnover %	21.1	-
Active Share %	86.5	-
P/E - Trailing 12 Months	30.7x	35.9x
Price/Book	6.7x	10.9x
Yield %	0.52	0.55

### Risk Return Analysis 10/1/1999 - 9/30/2020

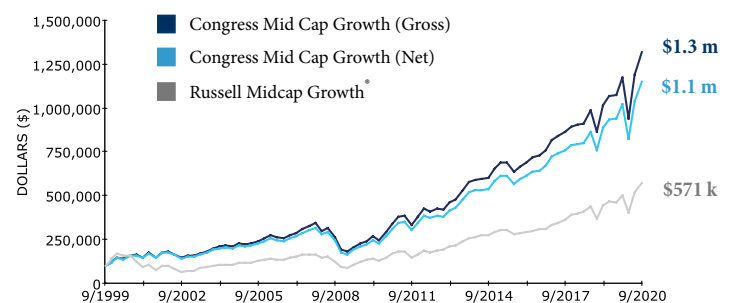
A low downside capture ratio helps protect investor returns over the long term.

	MCG	RMCG*
Standard Deviation	19.2	24.3
Beta	0.72	1.00
Sharpe Ratio	0.60	0.29
Alpha	5.84	-

	Upside Capture Ratio	Downside Capture Ratio
	93	69

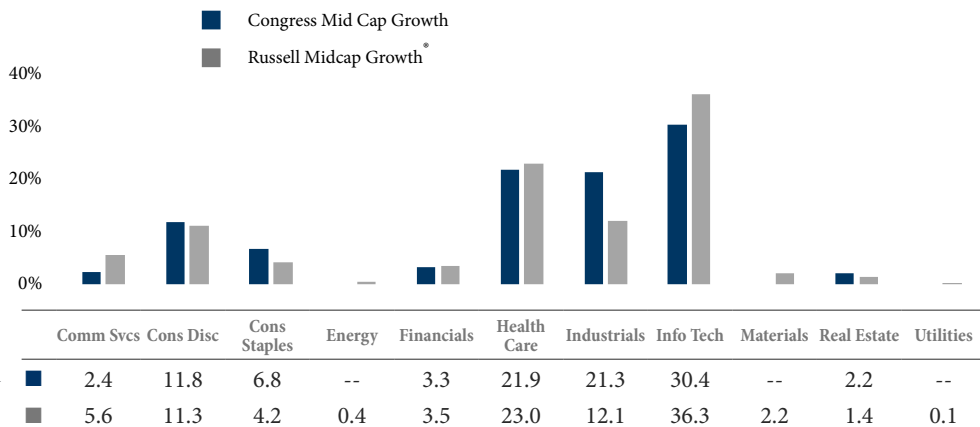
### Growth of \$100,000 10/1/1999 through 9/30/2020



<sup>1</sup>Top 10 Composite Holdings % as of 9/30/2020

Generac Holdings Inc.	4.5
Charles River Laboratories Intl., Inc.	3.8
Horizon Therapeutics Plc	3.5
Williams-Sonoma, Inc.	3.2
Etsy, Inc.	3.0
Monolithic Power Systems, Inc.	3.0
Pool Corporation	3.0
Copart, Inc.	2.9
Mettler-Toledo International Inc.	2.7
West Pharmaceutical Services, Inc.	2.7
<b>Total:</b>	<b>32.3</b>

<sup>1</sup>GICS Sector Allocation % ex Cash as of 9/30/2020



Definitions: **Russell Midcap Growth Index** measures the performance of Russell mid-cap companies with higher price-to-book ratios and higher forecasted growth value **Standard Deviation** measures historical volatility **Beta** measures the volatility of a portfolio in comparison to an index **Sharpe Ratio** uses standard deviation and excess return to determine reward per unit of risk **Alpha** compares the risk-adjusted performance of a portfolio to an index **Upside Capture Ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark **Downside Capture Ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark.

<sup>1</sup>The information shown is for a representative account as of 9/30/2020. Actual client account holdings and sector allocations may vary.

Congress Asset Management Co. Mid Cap Growth Composite 1/1/2010 - 12/31/2019

Year	Total Return of Fees%	Gross Total Return Net of Fees%	Russell Mid Cap Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell Mid Cap Growth 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	35.8	35.2	35.5	12.9	13.9	558	0.49	954	8,445	12,528
2018	-3.5	-3.9	-4.8	12.2	12.8	506	0.45	850	7,102	10,234
2017	17.7	17.2	25.3	10.8	10.9	447	0.65	763	7,272	10,546
2016	13.9	13.3	7.3	12.0	12.2	105	0.54	431	5,693	8,139
2015	1.9	1.4	-0.2	11.4	11.3	50	0.42	221	5,941	7,094
2014	13.0	12.4	11.9	10.8	10.9	41	0.51	145	6,328	7,449
2013	37.9	37.3	35.7	13.2	14.6	35	0.38	84	6,489	7,467
2012	10.4	9.8	15.8	17.0	17.9	26	0.46	43	6,755	7,498
2011	12.7	12.1	-1.7	19.1	20.8	22	0.67	30	6,329	7,014
2010	40.2	39.4	26.4			15	0.65	20	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. 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 Mid Cap Growth Composite has been examined for the periods 10/1/99 - 12/31/19. 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 Mid Cap Growth Composite was created on October 1, 1999. This inception date 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 mid cap growth style for a minimum of one full month. The mid cap growth strategy invests in the equity of high quality companies with market capitalizations between \$800 million and \$15 billion (at the time of purchase) exhibiting consistent earnings growth. 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 private client accounts or accounts with less than \$1 million. The primary composite benchmark is the Russell Midcap 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. The % of the composite represented by non-fee paying accounts at annual period end was 100% 1999-2001, 36% in 2002, 20% in 2003, 15% in 2004, 13% in 2005, 22% in 2006 and 18% in 2007. 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. Prior to 2007 net of fees returns were calculated by reducing gross returns by the highest management fee in the Mid 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 2010 as it is not required for periods prior to 2011.

**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.