CONGRESS ASSET MANAGEMENT COMPANY

Portfolio Commentary

1Q 2019

Multi-Cap Growth Portfolio

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.

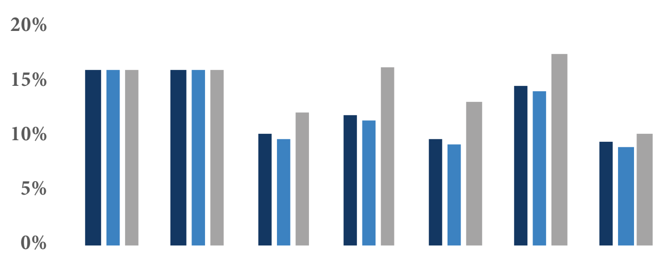
Indeed, the stock market's remarkable first quarter recovery likely reflects the strong employment trends and the Federal Reserve's (Fed) recent pivot in strategy. After raising short term rates in December, the Fed has deferred further rate increases and announced a more gradual plan to shrink its balance 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 Multi-Cap Growth Portfolio (the Portfolio) returned 16.12% during the quarter, while the Russell 3000 Growth Index ("the Index") returned 16.18%.

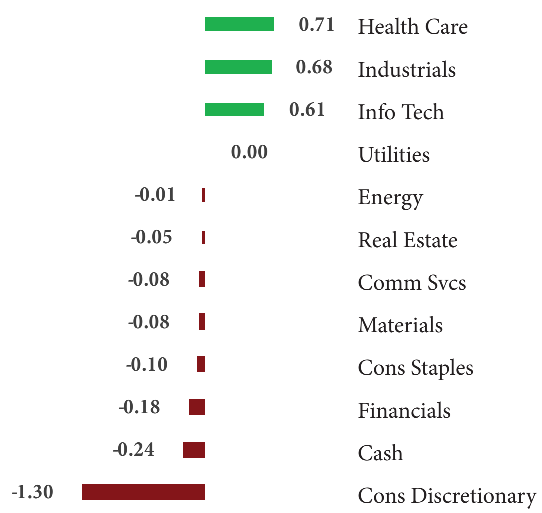
The Portfolio benefited from security selection in Health Care, Industrials, and Information Technology. However, security selection in Consumer Discretionary and Financials, along with an overweight allocation to Financials detracted from relative performance.

Annualized Returns % as of 3/31/2019



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 7/1/2003
Multi-Cap Growth (Gross)	16.1	16.1	10.2	11.9	9.7	14.5	9.4
Multi-Cap Growth (Net)	16.0	16.0	9.8	11.5	9.3	14.1	9.0
Russell 3000 Growth*	16.2	16.2	12.1	16.4	13.1	17.4	10.2

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



Q1 2019 Attribution Highlights

Overall Contributors

- Security selection in Health Care, Industrials & Information Technology

Overall Detractors

- Security selection in Consumer Discretionary & Financials
- Overweight allocation to Financials & Cash Allocation

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight%	Contribution%
Fair Isaac Corporation	2.55	1.00
LendingTree, Inc.	1.77	0.87
Xilinx, Inc.	1.95	0.80
Alexion Pharmaceuticals, Inc.	1.90	0.66
Mastercard, Inc.	2.57	0.60

Detractors

Stock	Avg. Weight%	Detraction%
Stamps.com, Inc.	1.45	-0.68
CME Group, Inc.	2.35	-0.33
GrubHub, Inc.	1.65	-0.14
Covetrus, Inc.	0.19	-0.09
Henry Schein, Inc.	1.67	-0.04

Fair Isaac Corporation (FICO) provides products, solutions, and services that enable businesses to automate, improve, and connect decisions to enhance business performance. The company reported solid results driven by a continued shift in its software business to recurring cloud revenue.

Lending Tree, Inc. (TREE) is the nation's leading online loan marketplace, providing consumers with an array of online tools and information to help find the best loans for their needs. Despite headwinds in the mortgage industry, the company reported an inline quarter. While mortgage revenue declined in the quarter, management expects revenue to increase sequentially in the near term due to seasonality and lower interest rates.

Xilinx, Inc. (XLNX) designs and develops programmable devices (PLD) including field programmable gate arrays (FPGAs) as well as other forms that their 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.

Alexion Pharmaceuticals, Inc. (ALXN) is a global biopharmaceutical company focused on serving patients and families affected by rare diseases through innovation, development, and commercialization of life-changing therapies. The company is well positioned to expand beyond its top drug Soliris with its follow-up, Ultomiris. Early data indicates the drug is tracking above expectations, with 5% of Soliris patients switching to Ultomiris, helping to protect the franchise from possible upcoming biosimilars.

Mastercard Incorporated (MA) is a technology company in the global payments industry that connects consumers, financial institutions, merchants, governments, digital partners, and businesses worldwide, enabling them to use electronic forms of payment instead of cash and checks. Despite certain macro headwinds, the company reported double digit growth in various key metrics, particularly cross border volume growth of 17%.

Henry Schein, Inc. (HSIC) provides health care products and services to over 1 million customers worldwide. The company reported a disappointing quarter due to weaker than expected results in the Dental and Animal Health businesses. With the spinoff of its Animal Health business into Covetrus completed in the quarter, HSIC is now purely focused on the Dental business. Guidance for 2019 suggests no improvement in the company's end markets.

Covetrus, Inc. (CVET) is a global animal health technology and services company supporting the companion animal, equine, and large-animal veterinary markets. The company was created on February 8, 2019, when Henry Schein spun off its Animal Health supply unit which then merged with start-up Vets Choice to form CVET. The stock's weakness is attributed to investors selling their shares after the spin-off.

GrubHub, Inc. (GRUB) is the leading online and mobile platform for restaurant pick-up and delivery orders. GRUB connects over 80,000 local restaurants with hungry diners in over 1,600 cities across the U.S. The company reported weaker than expected quarterly results as margin continues to be compressed.

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.

Stamps.com, Inc. (STMP) is a provider of internet-based postage solutions. Customers use its services to mail and ship a variety of mail pieces. The weakness was primarily driven by the announcement that the company will not longer be exclusive to the United Postal Service after a 20-year relationship.

1Q 2019 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Increase in Health Care • Decrease in Consumer Discretionary	• Veeva Systems, Inc. (VEEV) - Health Care • Covetrus, Inc. (CVET) - Health Care	• V.F. Corporation (VFC) - Consumer Discretionary • PVH Corp. (PVH) - Consumer Discretionary

Purchased

Veeva Systems, Inc. (VEEV) provides industry-specific, cloud-based software solutions for the life sciences industry. Its solutions enable pharmaceutical and other life sciences companies to realize the benefits of modern cloud-based architectures and mobile applications for their most critical business functions without compromising industry-specific functionality or regulatory compliance. VEEV is the market leader in this space with intuitive and easy-to-use software. The company continually improves upon its offering which has led to an expansion outside of life science companies into other regulated industries. This expansion should drive growth for the foreseeable future.

Covetrus, Inc. (CVET) is a global animal health technology and services company supporting the companion animal, equine, and large-animal veterinary market. The company was created on February 8, 2019, when Henry Schein spun off its Animal Health supply unit, which then merged with start-up Vets Choice to form CVET.

Sold

V.F. Corporation (VFC) is a global leader in branded lifestyle apparel, footwear, and accessories. Its notable brands include The North Face, Timberland, Vans, Wrangler, and Lee. The company has been negatively impacted by concerns surrounding the Sears bankruptcy, its European and tariff exposure, difficult comparisons, and a relatively tough retail apparel market.

PVH Corp (PVH) designs and markets branded shirts, neckwear, sportswear, jeanswear, intimate apparel, swim products, footwear, and other related products under notable brands such as Calvin Klein, Tommy Hilfiger, Speedo, IZOD, Van Heusen, and Arrow. Over the past couple of quarters, the company's Calvin Klein business has reported declining operating margin. In addition, the company is experiencing some softness in Asia due to a consumer spending slowdown.

Positioning

Investments are predicated on a company's future prospects rather than economic or market cycles. We seek companies with strong fundamentals and emphasize earnings growth consistency, free cash flow and solid balance sheet metrics. There were two sales and two purchases during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Health Care allocation while reducing the Consumer Discretionary allocation.

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. Multi-Cap Growth Composite 7/1/2003 - 12/31/2018

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 3000 Growth % (dividends reinvested)	S&P500 Return % (dividends reinvested)	Composite Gross 3-Yr nnualized ex-post St Dev (%)	Russell 3000 Growth 3-Yr nualized ex-post St Dev (%)	S&P 500 3-Yr nualized 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)
2018	-3.4	-3.8	-2.1	-4.4	12.4	12.3	10.8	23	0.32	187	7,102	10,234
2017	25.4	24.9	29.6	21.8	10.3	10.6	9.9	23	0.51	215	7,272	10,546
2016	0.5	0.1	7.4	12.0	11.4	11.3	10.6	6	n/a	131	5,693	8,139
2015	2.7	2.3	5.1	1.4	10.8	10.8	10.5	≤5	n/a	135	5,941	7,094
2014	7.0	6.6	12.4	13.7	10.4	9.7	9.0	≤5	n/a	134	6,328	7,449
2013	31.2	30.7	34.2	32.4	12.6	12.5	11.9	≤5	n/a	127	6,489	7,467
2012	15.9	15.5	15.2	16.0	16.7	16.0	15.1	≤5	n/a	100	6,755	7,498
2011	1.8	1.5	2.2	2.1	18.2	18.2	18.7	≤5	n/a	87	6,329	7,014
2010	14.1	13.7	17.6	15.1				≤5	n/a	82	6,416	6,678
2009	34.9	34.4	37.0	26.5				≤5	n/a	72	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. The verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

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 Multi-Cap Growth Composite was created on July 1, 2003. This inception date reflects the first full month 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 multi cap growth style for a minimum of one full month. The multi-cap growth strategy invests in the equity of high quality companies with market capitalizations over $500 million 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). The primary composite benchmark is the Russell 3000 Growth and the S&P 500 is a supplemental index. Effective January 1, 2008 the Multi-Cap Growth benchmark was changed retroactively from the S&P 500 and S&P MidCap 400 indices to the Russell 3000 Growth index in order to better represent the investable universe. The returns for the S&P MidCap 400 were 20.7% for the 2H'03, 16.5% for 2004, 12.6% for 2005, 10.3% for 2006 and 8.0% for 2007. 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 1% in 2008. 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 Multi-Cap Growth composite, which was 0.63%. 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.

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.