Market Review

For much of the last ten years, the U.S. economic expansion has been notable for its lack of sizzle. Even the stock market, which has done well, has been unremarkable relative to other expansions. That is about to change. We have shed the "two steps forward, one step back" readings of economic data.

What's changed? The continued development of our job market. May's unemployment reading reached a new low for this cycle at 3.8%. We currently have more jobs available than workers to fill them. Like a ball rolling downhill, we've picked up steam.

The momentum caused some volatility in financial markets, especially for bonds. Interest rates rose with the ten-year U.S. Treasury yield broaching the psychologically important 3% yield mark before falling back. Many bond market indices remain negative for the year. In contrast, stocks quelled some of the first quarter unease as the S&P 500 returned close to 3% for the quarter. Small stocks fared even better returning close to 8%.

The momentum exhibited in the second quarter is well grounded and likely to continue. The trickle of growth has become a torrent and expanded beyond the affluent. Lower income Americans are finally benefitting from tight labor markets and lower taxes resulting in higher confidence. This is captured in May's retail sales increase of 5.9% over last year.

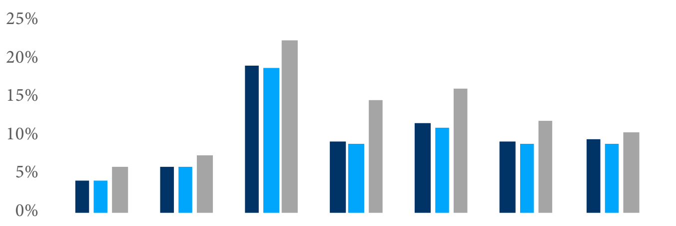
After some delay, the benefits of the expansion are spreading to millennials and younger demographic cohorts, who came of age during the financial crisis. Back then, weak job prospects and record student debt weighed on their confidence and ability to spend. Things are better now. Today, millennials are forming new households at a solid pace, bolstering spending on housing and other big-ticket items.

Corporate America continues to fare well. Record low interest rates, low inflation, tax cuts, and a large available work force resulted in strong 25% earnings growth in the first quarter. Small business trends are better now as optimism has risen with the improving profits outlook. To top it off, Federal spending was up 6% in May. This fiscal stimulus is sure to add fuel to the economic fire.

Performance Overview

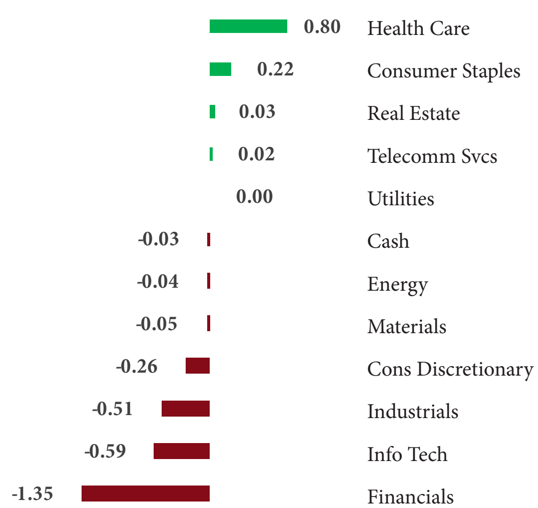
The Congress Multi-Cap Growth Portfolio (the Portfolio) returned 4.09% (gross of fees) during the Second Quarter of 2018 while the Russell 3000 Growth Index© (the Index) returned 5.87%. The Portfolio benefited from security selection in Health Care and Consumer Staples. However, security selection in Financials, Information Technology, and Consumer Discretionary as well as an overweight allocation to Industrials detracted from relative performance during the quarter.

Annualized Returns % as of 6/30/2018



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 7/1/2003
Multi-Cap Growth (Gross)	4.1	6.0	19.2	9.3	11.5	9.3	9.5
Multi-Cap Growth (Net)	4.0	5.8	18.8	8.9	11.1	8.9	9.0
Russell 3000 Growth®	5.9	7.4	22.5	14.6	16.1	11.8	10.4

% Total Effect Portfolio vs. Index (3/31/2018 - 6/30/2018) (bps)



Q2 2018 Attribution Highlights

Overall Contributors

- Security selection in Health Care & Consumer Staples
- Allocation to Consumer Staples

Overall Detractors

- Security selection in Financials, Information Technology & Consumer Discretionary
- Allocation to Industrials

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight	Contribution
Align Technology, Inc.	2.38%	0.74%
Illumina, Inc.	2.60%	0.44%
NIKE, Inc. Class B	2.07%	0.40%
Five Below, Inc.	1.32%	0.39%
Amazon.com, Inc.	2.31%	0.37%

Detractors

Stock	Avg. Weight	Detraction
Lending Tree, Inc.	1.54%	-0.65%
Affiliated Managers Group, Inc.	1.68%	-0.43%
Cummins Inc.	1.50%	-0.29%
Thor Industries, Inc.	1.51%	-0.27%
Harris Corporation	2.30%	-0.25%

Align Technology, Inc. (ALGN) is a global medical device company engaged in the design, manufacture, and marketing of Invisalign clear aligners and iTero intraoral scanners and services for orthodontics, restorative, and aesthetic dentistry. Shares of the stock surged during the quarter as the company reported solid earnings driven by strong growth across its businesses. Teen volumes were up for the fifth consecutive quarter. Sales of the iTero scanner rose over 80% and do not appear to show any signs of a slowdown.

Illumina, Inc. (ILMN) is a global leader in sequencing and array-based solutions for genetic analysis. The company reported a very solid quarter driven by robust growth across its business segments, particularly in Consumables. Gross and operating margins also came in better than expected.

NIKE, Inc. Class B (NKE) is the world's leading designer, marketer, and distributor of authentic athletic footwear, apparel, equipment, and accessories for various sports and fitness activities. NKE posted a solid quarter as the company reported sales growth in its North American business for the first time in a year. Internationally, NKE continues to generate strong growth, particularly in China and the EMEA regions.

Five Below, Inc. (FIVE) is a value retailer offering trend-right, high quality products priced at a cost of just $5 and below. The company reported solid results in the quarter and raised full year guidance. In addition, fears surrounding negative comparable store guidance in 2Q18 were abated after the company guided for a flat comp.

Amazon.com, Inc. (AMZN) is the world's leading online retailer operating as both a direct seller of goods and as a platform for third-party sellers to distribute their products. The company also provides web infrastructure services to business customers through its Amazon Web Services (AWS). The company reported another strong quarter of results. Growth rates in AWS, Subscription Services (including Prime), and Other (including advertising) accelerated in the quarter.

Lending Tree, Inc. (TREE) is the nation's leading online loan marketplace, providing consumers with an array of online tools and information to help them find the best loans for their needs. The stock was under pressure on concerns of home purchase leads being more difficult to convert than refinancing leads. Separately, the Federal Trade Commission charged LendingClub, a partner in TREE's personal loan business, with falsely promising consumers they would receive a loan with no hidden fees.

Affiliated Managers Group, Inc. (AMG) is a global asset management company with equity investments in leading boutique investment management firms. During the quarter, its longtime CEO stepped down suddenly after being diagnosed with ALS. He was replaced by the COO who is one of the company's founders.

Cummins, Inc. (CMI) manufactures and services diesel and natural gas engines and related technologies. Key markets include on-highway heavy and medium duty-trucks and off-highway vehicles and power systems for the construction and mining industries. CMI was under pressure after it announced a $187 million charge for a product recall with the potential for an additional $400 million in charges.

Thor Industries, Inc. (THO) manufactures a wide range of recreational vehicles (RVs) in the U.S. and sells them primarily in the U.S. and Canada. During the quarter, an analyst reported that dealer surveys and supply chain check points suggest that there may be a deceleration in RV retail sales trends.

Harris Corporation (HRS) is a leading technology innovator, solving customers' toughest mission-critical challenges by providing solutions that connect, inform, and protect. Despite reporting solid quarterly results, raising full year guidance, and being awarded government contracts, the stock traded down along with its aerospace and defense peers.

2Q 2018 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Increase in Consumer Staples	• Lamb Weston Holdings, Inc. (LW) - Consumer Staples	• CVS Health Corporation (CVS) - Health Care
• Decrease in Health Care	• PVH Corp. (PVH) - Consumer Discretionary	• Ulta Beauity, Inc. (ULTA) - Consumer Discretionary
	• Five Below, Inc. (FIVE) - Consumer Discretionary	• Mohawk Industries, Inc. (MHK) - Consumer Discretionary
	• Costco Wholesale Corp. (COST) - Consumer Staples	• Casey's General Stores, Inc. (CASY) - Consumer Staples

Purchased

Lamb Weston Holdings, Inc., (LW) is a leading global supplier, distributor, and marketer of frozen potato products with a dominant position in North America and a strong and growing presence in emerging markets. French fries are the majority of the company's value-added potato products. LW participates in a $13 billion global frozen potato category that is expected to grow to $15 billion by 2020. The company's top line growth is driven by a combination of new production innovation, strengthening relationships with suppliers and growers, capacity additions, and favorable pricing.

PVH Corp. (PVH) is one of the largest apparel companies in the world. Its brand portfolio consists of nationally and internationally recognized brand names including Calvin Klein, Tommy Hilfiger, Van Heusen, IZOD, Arrow, Olga, and Speedo. The company has managed well through a very challenging retail environment. PVH began to deliver on the promise of a globally controlled Calvin Klein brand, leveraging a shared marketing campaign and expanded distribution. PVH's combination of ever-improving brand presentation, consistent solid and strengthening non-U.S. performance, and effective category expansion should continue to allow the company to perform.

Five Below, Inc. (FIVE) is a leading retailer offering trend-right, high quality products targeted at tweens, teens, and beyond at a price point of $5 and below. The company is growing its store base in addition to rolling out television advertising and e-commerce initiatives. FIVE has a 20/20 vision for 2020: sales growth of 20% and net income growth of 20%.

Costco Wholesale Corporation (COST) operates membership warehouses based on the concept of offering members low prices on a limited selection of nationally branded and private label products in a range of merchandise categories. The company has consistently generated mid to high single digit same store sales growth driven by both traffic volume and competitive pricing. Additionally, COST has a strong balance sheet and a history of consistent earnings growth and dividend increases.

Sold

CVS Health Corporation (CVS) is one of the largest healthcare companies in the U.S, providing retail, mail, and specialty pharmacy dispensing services and pharmacy benefits. In December 2017, the company agreed to acquire the third largest health insurer in the U.S., Aetna for a total enterprise values of $77 billion. The company's fundamentals will be challenged in 2018 as management expects top line growth of low single digits. In addition, operating margin is expected to decline due to pressures in its Retail business.

Ulta Beauty, Inc. (ULTA) is a retailer of cosmetics, fragrance, skin, hair care products, and salon services. The stock's performance has been negatively impacted by decelerating same store sales growth. In addition, headlines surrounding the company reselling previously opened and potentially used cosmetics products pressured the stock further.

Mohawk Industries, Inc. (MHK) is a leading building products company, manufacturing and selling flooring products including carpets, rugs, ceramic, tile, wood, stone, and vinyl flooring. Rising prices for materials and freight along with higher depreciation and amortization expenses, and higher than expected startup costs will negatively impact the company's margin.

Casey's General Stores, Inc. (CASY) engages in the management and operation of convenience stores and gas stations. It offers food and beverages, health and beauty products, and school supplies. Over the past few quarters, the company reported disappointing results primarily due to persistent softness in its Prepared Foods business. Much of the weakness was driven by an increasingly competitive quick service restaurant (QSR) pricing/promotion environment as well as weak consumer spending in the farm belt region – where CASY's core customer segment is largely based.

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 four purchases and four sales during the quarter, and they are reflective of this philosophy. These combined transactions effectively increased the Consumer Staples sector weighting while reducing the Health Care weighting.

Outlook

Ironically, the fiscal stimulus should be considered one of the risks to our outlook. Fiscal stimulus in a period of strong economic growth often results in inflation as government competes with business for limited resources. Indeed, the Federal Reserve (Fed) raised short term rates in June and hinted at more increases both this year and next year. Even with inflation still below the Fed's preferred 2% rate, it has continued to decrease its bond holdings, effectively taking money out of the system. Often criticized for being behind, the Fed appears to be anticipating inflation.

While domestic growth continues unabated, Europe and many emerging markets have stalled. The synchronized global expansion is now relying mainly on the U.S. and China to propel the next leg of growth. In this vein, the nascent trade war with China takes on increased importance.

President Trump is clearly putting his stamp on our trade policies by implementing new tariffs. Over time, tariffs reduce trade and increase costs. Undoubtedly, Chinese actors continue to steal proprietary technologies and new protections in that realm are long overdue. As currently constructed, however, the new tariffs are as hurtful to Canada and Mexico as they are to China.

The tariffs themselves are not significant enough on their own to cause major concern but they do set a tone and act as a harbinger of what may come. As the U.S. has indicated more tariffs will follow, this has led to fears of a full-blown trade war.

The tailwind from lower corporate taxes enacted late last year are now being offset by these tariff concerns, resulting in companies delaying capital projects and taking a more conservative view of the future. This has been less of a concern for small companies that produce and sell in the domestic market. That could change, however, as investors recognize that even small companies are indirectly tied to global markets.

Other than trade policy, most of the potential negative economic stimuli have offsetting positives. For instance, the European Central Bank remains accommodative and has indicated it is likely to remain so throughout this year. Low European interest rates should help keep U.S. rates lower than they otherwise may be. Also, the Japanese economy appears to be stronger than it has been in decades and, along with China, provides meaningful opportunities for growth in Asia.

The U.S. economy enters the summer firing on all cylinders. The two primary risks in our view are: unforeseen inflation and a tariff induced slow down. The Fed is doing its part on inflation. As for tariffs, we believe cooler heads will prevail as the importance of global trade has been acknowledged by the administration even as the sabre rattling has intensified.

The foundation built over the last decade remains intact and strong enough to weather the current storm. An economy in full employment can withstand many challenges. That and accelerating growth keep us positively disposed to equities. Bond volatility may continue but the ten-year treasury at 3% appears attractive.

Congress Asset Management Co. Multi-Cap Growth Composite 7/1/2003 - 6/30/2018

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 annualized ex-post St Dev (%)	Russell 3000 Growth 3-Yr annualized ex-post St Dev (%)	S&P 500 3-Yr annualized ex-post St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	% of composite represented by non-fee paying account	Total Firm Discretionary Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
YTD	6.0	5.8	7.4	2.7	n/a	n/a	n/a	26	n/a	228	n/a	7,444	10,862
2017	25.4	24.9	29.6	21.8	10.3	10.6	9.9	23	0.51	215	n/a	7,272	10,546
2016	0.5	0.1	7.4	12.0	11.4	11.3	10.6	6	n/a	131	n/a	5,693	8,139
2015	2.7	2.3	5.1	1.4	10.8	10.8	10.5	≤5	n/a	135	n/a	5,941	7,094
2014	7.0	6.6	12.4	13.7	10.4	9.7	9.0	≤5	n/a	134	n/a	6,328	7,449
2013	31.2	30.7	34.2	32.4	12.6	12.5	11.9	≤5	n/a	127	n/a	6,489	7,467
2012	15.9	15.5	15.2	16.0	16.7	16.0	15.1	≤5	n/a	100	n/a	6,755	7,498
2011	1.8	1.5	2.2	2.1	18.2	18.2	18.7	≤5	n/a	87	n/a	6,329	7,014
2010	14.1	13.7	17.6	15.1				≤5	n/a	82	n/a	6,416	6,678
2009	34.9	34.4	37.0	26.5				≤5	n/a	72	n/a	5,263	5,463
2008	-35.5	-35.7	-38.4	-37.0				≤5	n/a	54	1%	4,292	4,371
2007	14.3	13.9	11.4	5.5				≤5	n/a	83	n/a	5,812	5,846
2006	8.0	7.4	9.5	15.8				≤5	n/a	103	n/a	5,464	5,469
2005	2.9	2.3	5.2	4.9				≤5	n/a	100	n/a	4,750	4,751
2004	16.6	15.8	6.9	10.9				≤5	n/a	89	n/a	3,844	3,844
2H '03	16.9	16.6	15.4	15.2				≤5	n/a	56	n/a	3,697	3,697

#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. 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. 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. The standard deviation is not presented for 2003 through 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.