Market Review

The U.S. economy continues to grow and is likely stronger than recent headlines imply, providing a level of comfort for domestic investors. There are, however, two fault lines underneath the global economy: slowing momentum in Europe, China, and the United States; and rising trade tensions. The two lines are interdependent and in combination add an increasing level of uncertainty to economic prognosticators.

The financial markets felt the effects of increasing uncertainty in the second quarter. Bond yields fell to about 2% for the U. S. Treasury 10-year note, a level not seen since 2017. Stocks gyrated, particularly in May as trade tensions spiked, yet finished the quarter up about 3%. Oil prices collapsed only to stabilize late in the quarter. The most significant of these moves may be the bond yields themselves.

A few months ago, it appeared that global central banks were set to end their decade long experiment in quantitative easing by decreasing their own balance sheets and raising rates. As recently as December, the Federal Reserve (Fed) hiked short-term rates in the U.S. As the quarter progressed, it became clear that both domestic and global momentum had slowed, precipitating a U-turn by central banks. Interest rate increases are now on hold and balance sheets are as likely to expand as they are to shrink.

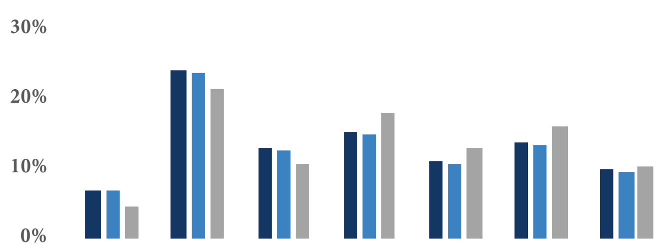
The Fed and other central banks have the ability (and it appears the inclination) to react to weakening indicators because of subdued inflation readings. To be sure, developed economies world-wide remain in a systemically low inflation environment. Rarely have we experienced this phenomenon. The implications are far ranging and include negative interest rates in Europe and low rates elsewhere, adversely effecting both pensioners and investors.

Performance Overview

The Congress Multi-Cap Growth Portfolio (the Portfolio) returned 6.8% gross of fees during the quarter, while the Russell 3000 Growth Index ("the Index") returned 4.5%.

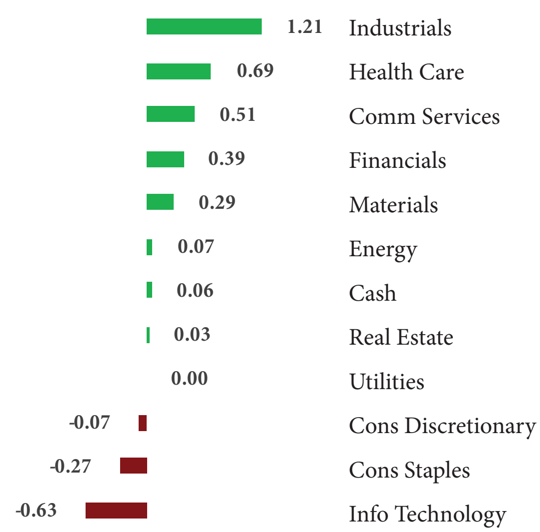
The Portfolio benefited from security selection in Industrials, Health Care, Communication Services, and Financials. However, security selection in Information Technology and Consumer Staples detracted from relative performance during the quarter.

Annualized Returns % as of 6/30/2019



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 7/1/2003
Multi-Cap Growth (Gross)	6.8	24.1	13.1	15.2	10.9	13.7	9.7
Multi-Cap Growth (Net)	6.7	23.8	12.7	14.8	10.5	13.3	9.3
Russell 3000 Growth*	4.5	21.4	10.6	17.8	13.0	16.1	10.4

[1]% Total Effect Portfolio vs. Index (3/31/2019 - 6/30/2019)



[1]The information shown is for a representative account as of 6/30/2019. Actual client account holdings and sector allocations may vary.

2Q 2019 Attribution Highlights

Overall Contributors

- Security selection in Industrials, Health Care, Communication Services & Financials

Overall Detractors

- Security selection in Information Technology, Consumer Staples & Consumer Discretionary

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight%	Contribution%
HEICO Corp.	2.50	0.91
Walt Disney Co.	1.99	0.45
Harris Corp.	2.27	0.42
Illumina, Inc.	2.26	0.41
Global Payments, Inc.	2.36	0.40

Detractors

Stock	Avg. Weight%	Detraction%
Stamps.com, Inc.*	0.37	-0.39
Cognizant Technology Solutions*	0.67	-0.32
Lamb Weston Holdings, Inc.	1.48	-0.27
A. O. Smith Co.	1.43	-0.17
CEVA, Inc.	1.40	-0.15

*sold during the quarter

HEICO Corporation (HEI) is a manufacturer of Federal Aviation Administration (FAA) approved jet engine and aircraft component replacement parts. The company continues to generate solid results driven by strong demand across product types and geographies. The Flight Support Group was particularly strong, posting 15% organic growth and over 20% operating margin primarily due to very strong demand in replacement parts. After two consecutive quarters of better than expected results, management raised their full year outlook.

Walt Disney Company (DIS) is a diversified international family entertainment and media enterprise operating through four business segments: Media Networks, Parks & Resorts, Studio Entertainment, and Consumer & Interactive Media. Better than expected content offering from the company's upcoming Disney+ launch, a robust movie pipeline, and solid quarterly results drove the stock's outperformance.

Harris Corp (HRS) is a leading technology innovator, solving customers' toughest mission-critical challenges by providing solutions that connect, inform, and protect. The company supports government and commercial customers in over 100 countries, with its largest customers being various departments and agencies of the U.S. Government and its prime contractors. The stock's outperformance was attributed to solid quarterly results driven by strength in the Communications Systems business. As a result, management raised their full year guidance.

Illumina, Inc. (ILMN) is a global leader in sequencing and array-based solutions used in genetic analysis. The company continues to benefit from demand for its high margin sequencing products. In addition, the company won a U.K. patent infringement suit brought against a competitor, Ariosa Diagnostics.

Global Payments, Inc. (GPN) provides payment solutions for merchants, value-added resellers, enterprise software providers, financial institutions, government agencies, multi-national corporations, and independent sales organizations. GPN is a key conduit in the chain that links the end consumer to the institutions behind the credit card infrastructure. The company reported strong quarterly results as organic revenue growth and operating margin exceeded expectations. As a result, management raised their full year guidance.

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 quarter's weakness was primarily driven by the announcement that the company will be negatively impacted by uncertain contract changes that its partner companies have with the U.S. Postal Service (USPS).

Cognizant Technology Solutions, Inc. (CTSH) is leading provider of information technology and consulting services dedicated to helping the world's leading companies innovate and build stronger businesses. The stock was pressured during the quarter due to management lowering full year guidance due to headwinds in two of the company's key verticals, Health Care and Financial Services, which account for 28% and 36% of total revenue respectively.

Lamb Weston Holdings, Inc. (LW) is a leading global producer, distributor, and marketer of value-added frozen potato products, primarily french fries. Despite reporting a strong quarter with robust organic growth and margin expansion, the stock under performed due to concerns surrounding industry capacity additions, the quality of the North America potato crop because of a later planting season, and pricing for new contracts negotiated with large restaurant chains.

A.O. Smith Corp. (AOS) manufactures and markets water heaters and boilers for residential and commercial end markets. About 60% of the company's revenue is generated in the U.S. and more than 30% is generated in China. The company continues to be negatively impacted by the lack of consumer demand in China. In addition, North American sales were weaker than expected due to lower water heater installation volumes.

CEVA Inc. (CEVA) licenses its technology to semiconductor manufacturers while its current royalty base primarily serves handset baseband demand. The stock's underperformance was attributed to continued weakness in smartphone volumes and a slowdown in the initial 5G infrastructure deployment.

2Q 2019 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Increase in Consumer Discretionary • Decrease in Information Technology	• Lindblad Expeditions Holdings, Inc. (LIND) - Consumer Discretionary • Lululemon Athletica, Inc. (LULU) - Consumer Discretionary • Tractor Supply Company (TSCO) - Consumer Discretionary	• Cognizant Technology Solutions Corporation (CTSH) - Information Technology • Stamps.com, Inc. (STMP) - Consumer Discretionary

Purchased

Lindblad Expeditions Holdings, Inc. (LIND) provides expedition cruising and adventure travel experiences using itineraries that feature interactive encounters with wildlife, nature, history, and culture. The company is well positioned to benefit from the rise in international tourism and growth in the cruise industry. LIND's customers tend to book their itineraries twice as far ahead as traditional cruises, thus supporting pricing power and sharply reducing last minute discounting. LIND's partnership with National Geographic gives the company access to an exclusive selling channel (National Geographic reaches hundreds of millions of people every month) through which it generates about 25% of its bookings.

Lululemon Athletica, Inc. (LULU) is a designer, distributor, and retailer of healthy lifestyle inspired athletic apparel and accessories. It operates through the following segments: Company-Operated Stores and Direct-to-Consumer. Known for its yoga products, the company has expanded its product line to include running, cycling, cross training, and general fitness. LULU's long-term growth is driven by the men's business, digital, international expansion (particularly in China), and continued product innovation.

Tractor Supply Company (TSCO) is the largest rural lifestyle retailer in the U.S. with a focus on supplying the needs of recreational farmers, ranchers, tradesmen, and all others who enjoy the rural lifestyle. The company has proven to be relatively insulated from the pressures of Amazon, Walmart, Home Depot, and Lowe's. TSCO generates strong free cash flow and stable top line growth. In addition, it provides unit expansion opportunities and operates in a favorable competitive position.

Sold

Cognizant Technology Solutions Corporation (CTSH) is a leading provider of information technology, consulting, and business processes dedicated to helping the world's leading companies innovate and become stronger. The company lowered its full year guidance due to headwinds in two of its key verticals: Health Care and Financial Services. CTSH is also under the leadership of a new CEO (effective April 1st), and further management changes are expected.

Stamps.com, Inc. (STMP) is a provider of internet-based postage and mail solutions. STMP ended its partnership with the USPS and announced that it expects to be negatively impacted by uncertain contract changes that its partner companies have with the USPS.

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

Outlook

The U.S. is not immune to economic lethargy. Spending on capital equipment has slowed and manufacturers are facing their own perfect storm: tariff-induced higher component costs, a strong dollar affecting overseas sales, and the anniversary of tax incentives, which pulled orders into 2018. Farmers in the corn belt are facing a trying year hindered by a wet planting season and curtailed exports. The bond market has noticed. While we do not face negative rates, part of the yield curve has inverted with some short-term bonds in the unusual position of yielding more than longer term bonds, indicating a recession could be in the offing. That inversion would likely disappear should the Fed lower rates as expected in July.

The current economic malaise represents more a pause in activity than a trend. Low interest rates act as both a warning to investors and a stimulant. The combined effect of low foreign rates and the Fed intimating a policy change has had the effect of lowering mortgage and loan rates. Lower rates will work through the economy over time and will increase home affordability and could foster investment in long lived assets, benefiting consumers and businesses.

May's headline job growth was weak, but it appears to be an outlier as other measures of employment remained strong and workers' compensation continues to improve. In a positive development, productivity rose over 3%, the highest level this cycle, with positive implications for efficiency, profitability, and inflation.

Whether consumer spending, backed by strong employment metrics, will be enough to offset sluggish business spending and keep the economy on a growth path remains to be seen. A decade of recovery after the financial crisis has left the consumer in a strong position, though. Consumer debt burden is very manageable, household net worth is at its highest level and continues to grow, and the savings rate at over 6% suggests that the consumer can support the economy in the face of business uncertainty.

To a large extent, the challenges facing the economy and markets now result from uncertainties caused by a significant change in our trade policies. Global trade has been espoused and endorsed by most countries for decades as a source of growth and the best method to improve their standards of living. Laws and business practices had adapted to encourage the flow of goods and services. Brexit and tariff concerns have changed this global view. Trade policies are in flux with no clear end game in sight. Stock markets are likely to react to every pronouncement, positive or negative, with the unintended effect of increased market volatility.

Restrictive trade policies will affect growth to some degree but are unlikely in themselves to cause a recession. By July, the U.S. expansion will have reached the ten-year mark and will have become the longest domestic expansion on record. More than 20 million jobs have been created in the last decade, unemployment is at 50-year lows, and inflation remains benign. Economic momentum is strong enough to withstand the current round of trade friction.

Financial markets are understandably jittery given the ever-changing trade environment. Bond yields are low by historical standards but provide an attractive return relative to other developed nations. Stocks are likely to be more volatile as investors digest how trade dynamics will affect future earnings. Longer term, stocks remain the preferred asset class.

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 – 12/31/18. 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.