CONGRESS ASSET MANAGEMENT COMPANY

Portfolio Commentary

2Q 2020

Multi-Cap Growth Portfolio

Market Review

It is easy to forget that just a few months ago the U. S. economy was stronger than it had been in a lifetime. Finding qualified employees was a challenge for most businesses. Restaurants were full and air travel had never been stronger. Most people commuted to work complaining about traffic and public transportation. Our actions to curtail the spread of COVID-19 have turned the economy on its head. Now, market strategists eagerly search for snippets that indicate the economy is recovering from the constraints while hesitantly reading about new cases. Optimism abounds in the stock market while caution prevails in the bond market. As is often the case, the truth probably lies in the middle.

Since the pandemic first arrived on our shores, most everything related to our economy has reacted at hyper-speed. Restrictive economic measures squelched a robust jobs market resulting in a jump in unemployment from a generations-low 3.5% in December to 13.3% in May. Consistent gross domestic product (GDP) readings of 2-3% evaporated as the shut-down intensified. First quarter GDP measured -5.0%, with far worse readings expected for the second quarter.

The scale of the contraction is alarming and points to the aggressive response by the Federal Reserve (Fed). It also demonstrates the importance of the federal government stimulus. The Fed's actions continue and are meant to provide financial market liquidity and support, and to bolster companies until we can fully re-open. But the Fed can't force people to spend or increase aggregate demand. The federal stimulus packages, on the other hand, were set up to get money into consumers' hands directly. Precision was sacrificed for speed, resulting in quick and substantial pay outs with little regard for effectiveness or oversight.

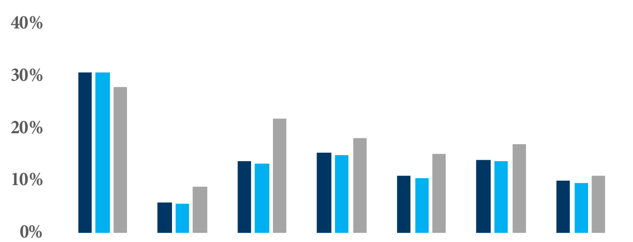
The maelstrom has upended the typical economic indicators which are backward looking and distorted by the shut down and related policy reactions. Hence, the collapse in GDP. Consumers, on the other hand, were forced to re-trench and dramatically reduced spending. At the same time, the stimulus payments bolstered April income levels. Savings soared, an unusual occurrence during a recession. The massive stimulus did much to protect the consumer in April and May. Whether job growth can recover and support the consumer in the summer months remains to be seen.

Performance Overview

The Congress Multi-Cap Growth Portfolio (the Portfolio) returned 30.8% gross of fees during the quarter, while the Russell 3000 Growth Index ("the Index") returned 28.0%.

The Portfolio benefited from security selection in Information Technology, Health Care, and Industrials. However, overweight allocations to Industrials and Consumer Staples, as well as an underweight to Information Technology detracted from performance.

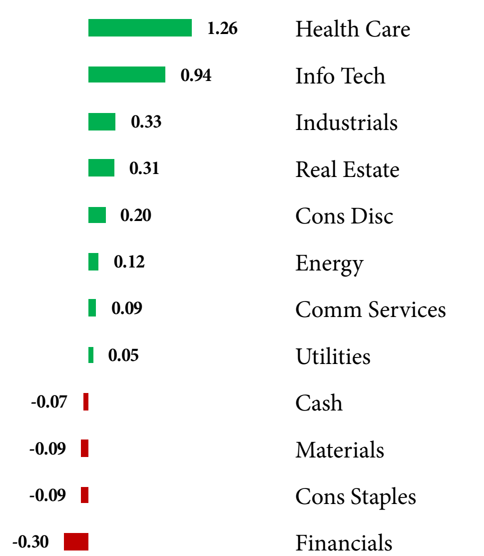
Annualized Returns % as of 6/30/2020



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 7/1/2003
Multi-Cap Growth (Gross)	30.8	5.8	13.8	15.3	10.9	14.1	10.0
Multi-Cap Growth (Net)	30.7	5.6	13.3	14.9	10.5	13.7	9.5
Russell 3000 Growth*	28.0	9.0	21.9	18.2	15.2	16.9	11.0

Performance is preliminary and subject to change

[1]% Total Effect Portfolio vs. Index (3/31/2020 - 6/30/2020)



[1]The information shown is for a representative account as of 6/30/2020. Actual client account holdings and sector allocations may vary.

2Q 2020 Attribution Highlights

Overall Contributors

- Security selection in Information Technology, Health Care & Industrials

Overall Detractors

- Overweight allocations to Industrials & Consumer Staples
- Underweight allocation to Information Technology

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight%	Contribution%
PayPal Holdings Inc	2.36	1.58
Lululemon Athletica Inc	2.39	1.34
Apple Inc.	2.99	1.20
Amazon.com, Inc.	2.71	1.06
Pool Corporation	2.90	1.04

Detractors

Stock	Avg. Weight%	Detraction%
L3Harris Technologies Inc.	2.00	-0.05
Martin Marietta Materials, Inc.*	0.14	-0.04
CME Group Inc. Class A**	1.88	0.08
JPMorgan Chase & Co.	1.37	0.10
Digital Turbine, Inc.*	0.05	0.11

*Purchased during the quarter **Sold during the quarter

PayPal Holdings (PYPL) is a leading online global payment platform. PYPL benefited from the global pandemic, which led to a one to three year acceleration in secular e-commerce/digital payment trends. Post COVID-19, the company's total addressable market could expand as numerous merchants are looking to add PayPal to in-store checkout flows.

Lululemon Athletica Inc. (LULU) manufactures and sells athletic apparel, primarily yoga and running clothing. As more people began working from home and athleisure wear became increasingly popular, LULU saw robust growth in online sales, up 70% in the quarter.

Apple Inc. (AAPL) is the world's largest information technology company. Despite significant disruptions to its supply chain and point of sale demand, AAPL reported positive quarterly results fueled by its Services business. Led by record levels of sales in the App Store, Video, and Cloud, Services now accounts for 23% of overall sales, up from 20% one year ago.

Amazon.com, Inc. (AMZN) is the world's leading online retailer. The stock's performance was driven by solid quarterly results as revenue growth benefited from one-day shipping orders and the overall e-commerce trend.

Pool Corporation (POOL) is the largest distributor of outdoor swimming pool supplies and services. The company remained open throughout the pandemic as an essential business, resulting in an increase in sales during the quarter. As people continue to stay home and summer camps are cancelled, POOL is positioned to benefit from an increase in demand for outdoor swimming pools this summer.

L3Harris Technologies (LHX) is a global aerospace and defense company. Despite reporting positive quarterly results, management lowered full year organic revenue guidance to reflect the impact of COVID-19 on the company's Aviation and Public Safety businesses.

Martin Marietta Materials Inc. (MLM) is a leading supplier of building materials, including aggregates, cement, ready mixed concreate, and asphalt. MLM was part of the Portfolio for a short time during the quarter during which the stock was down slightly on concerns of possible funding deficits at state departments of transportation. However, the company expects the outlook for public infrastructure, particularly road work, to remains strong during these uncertain times.

CME Group Inc. (CME) provides electronic trading with the broadest range of global benchmark products across all major asset classes including futures and options. CME offers hedging and risk management capabilities to its customers. However, fhe Federal Reserve has indicated that interest rates will remain at lower levels for the foreseeable future, diminishing the need to hedge against rate movements. CME's interest rate franchise is an important revenue source for the company.

JPMorgan Chase & Co. (JPM) is a leading global financial services firm. The stock's underperformance was driven by the impact of COVID-19 on business activity. In addition, the ability of businesses and consumers to keep their loans in good standing has become a concern. Lower interest rates driven by Fed cuts are also a headwind for bank balance sheets.

Digital Turbine (APPS) is a software platform servicing the mobile app download advertising market. Its products enable a company's app to more efficiently connect with potential mobile end-users in a way that increases download conversion rates while reducing costs. APPS was part of the Portfolio for a short time during the quarter during which the stock provided a relatively small positive return. However, during the calendar quarter, the stock was a strong performer as mobile app usage and performance marketing offset the decline in U.S. smartphone activation.

2Q 2020 Transaction Summary

Sector Allocation Changes

- Increased allocation to Materials & Information Technology
- Decreased allocation to Financials & Industrials

Purchased

- D.R. Horton, Inc. (DHI) - Consumer Discretionary
- Martin Marietta Materials, Inc. (MLM) - Materials
- Digital Turbine, Inc. (APPS) - Information Technology

Sold

- GrubHub Inc. (GRUB) - Consumer Discretionary
- CME Group, Inc. Class A (CME) - Financials
- Eaton Corporation, Inc. (ETN) - Industrials

Purchased

D.R. Horton, Inc. (DHI) is a best in class residential construction company focused on the entry-level market. DHI also offers mortgage financing and title agency services to buyers. The company has a diverse footprint across 29 states and 90 markets. DHI is positioned to benefit from a low interest rate environment and strong underlying demand.

Martin Marietta Materials, Inc. (MLM) is a leading supplier of building materials, including aggregates, cement, ready mixed concrete, and asphalt. The company's defensive nature has positioned it to outperform the overall Materials sector. It is also experiencing tailwinds such as continued growth in public infrastructure spending, increasing housing starts, the decline in oil prices, monetary and fiscal stimulus, and a revenue base in some of the most attractive states for a construction materials company

Digital Turbine, Inc. (APPS) is a software platform servicing the mobile app download advertising market. Its products enable a company's app to more efficiently connect with its potential mobile end-users in a way that increases download conversion rates while reducing costs. The company's business has evolved significantly over the last year and a half as it has divested non-core businesses to focus solely on its advertising models. APPS also has significant growth drivers with the expansion of international partners and cross-selling/up-selling new products into existing partnerships.

Sold

GrubHub Inc. (GRUB) is the leading online and mobile platform for restaurant pick-up and delivery orders. The concern surrounding the company is the continued viability of its small-and-medium sized restaurant partners (which account for over 80% of orders) post-COVID-19 pandemic.

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. The company's interest rate business is negatively impacted by the Fed's decision to pause on interest rate actions. The resulting hit to the company's bottom line resulted in the Committee's decision to sell the position in favor of better opportunities.

Eaton Corporation, Inc. (ETN) is a global power management company. The company offers electrical, aerospace, hydraulic, and vehicle products and services to a variety of markets. It is unclear if ETN can drive higher sales growth organically from new product development or if it will need to turn to acquisitions post-pandemic.

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 three sales during the quarter, and they are reflective of this philosophy. These combined transactions effectively increased the Portfolio's Materials and Information Technology weightings, while reducing its Financials and Industrials weightings.

Outlook

To better measure the current economic environment analysts have turned to non-traditional, high frequency indicators that offer an accelerated snapshot, albeit with less rigor than traditional measures. Consumer engagement with restaurants and traditional shopping venues is increasing. Pent up demand, better weather, and restlessness are driving people outdoors. Activities deemed "safe" are drawing attention while activities deemed "risker," such as air travel, remain lackluster.

Companies are wading deeper into re-opening. Corporate spending focused on improving communication tools such as networks and collaborative software continued throughout the lock down period. Spending on safety equipment and measures to allow re-opening are now accelerating. Bolstered by the Fed and government support and strong credit markets, companies are flush. The strong cash position should support the necessary corporate investment that allows firms to stay relevant in our competition driven system. Undoubtedly, some entertainment and travel activities will take longer to return preventing a full recovery until safety is more assured.

While difficult to see at this moment, some habits and practices developed in response to the pandemic may be laying the groundwork for future technologies and growth. Telemedicine, for example, may be a cost effective alternative to traditional doctor's visits. Video conferencing and remote work arrangements may be cost efficient and environmentally friendly.

Even as consumer and business spending begins to improve, challenges

Information is as of 6/30/2020

remain for state and municipal governments where shrunken tax receipts are beginning to bite. We anticipate another fiscal stimulus program to help localities weather the storm. In this charged political environment, however, the size and timing remain uncertain.

The scope and severity of the economic collapse continues to demand Fed attention. The Fed initiated or expanded nine programs over the past few months. One result: the Federal Reserve balance sheet will likely reach $9 trillion by year end, more than double its size during the Financial Crisis. The expanded balance sheet supports financial assets by directly buying bond issues and improving stocks comparative risk adjusted return. The Fed actions have also enlarged the money supply by close to 25% over the past year. These assets are parked in bank accounts and money market funds that the Fed hopes will either be spent or invested as consumers and businesses feel more comfortable.

Combined, the effects of the federal government stimulus plans and the Federal Reserve actions will have long-term consequences for taxes, spending, inflation, and other government policies. The current low level of interest rates, however, mitigates the immediate concerns. Inflation, a key driver of interest rates, remains subdued and is unlikely to rise materially as energy prices and wage pressures have subsided.

The stock market's recovery from its March lows was exceptionally fast. Similar to the post 2008 financial crisis, the recovery was spurred by the Fed when it backstopped the markets by claiming new financial powers, forcing investors to re-interpret risk and re-engage with stocks. Today is similar, except the Fed has expanded its powers and become a larger force. Investors, recognizing the uniqueness of the situation, are looking past 2020 earnings and looking for consistent progress in the re-opening process. Regional spikes of infections or a second wave could alter the market's path.

The pandemic and our comprehensive response have tested our country's mettle. But COVID-19 is a global experience, sparing no country or market. The U.S. response was not perfect, and in many cases we failed to protect our most vulnerable. We are great at self-criticism, however, and in the long run our abilities to adopt and change will be to our collective benefit. To be sure, our domestic financial markets are the most liquid, fair, and safe in the world. COVID-19 will pass in time and the U.S. economy will recover. Maintaining a three to five year time horizon is more important now than ever.

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

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)
2019	33.4	32.9	35.9	31.5	13.4	13.2	11.9	27	0.80	242	8,445	12,528
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

#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. 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 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.