

Portfolio Commentary

Small Cap Growth

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.

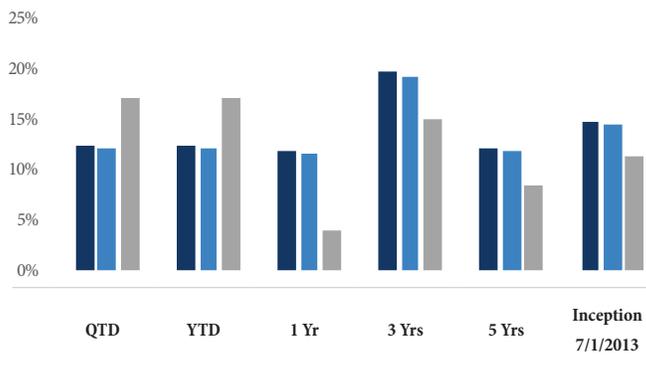
Performance Overview

The Small Cap Growth Portfolio ("the Portfolio") returned 12.32% (gross of fees) during the first quarter, while the Russell 2000 Growth Index ("The Index") returned 17.14%.

The Portfolio benefited from security selection in the Information Technology and Consumer Staples sectors, as well as an overweight allocation Information Technology.

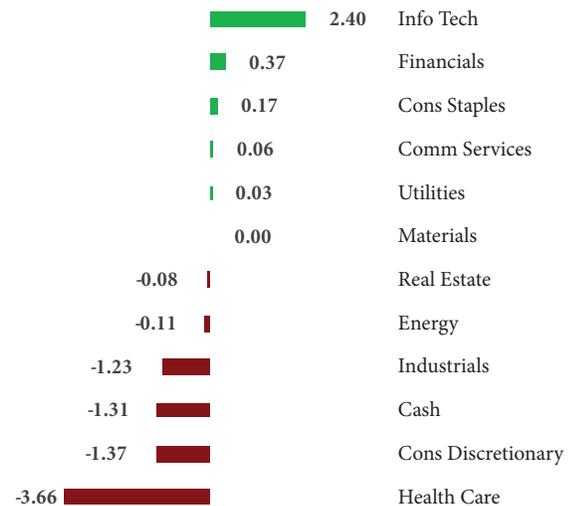
However, security selection in the Health Care, Consumer Discretionary, and Industrials sectors detracted from relative performance during the quarter.

Average Annualized Performance % as of 3/31/2019



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	Inception 7/1/2013
Small Cap Growth (Gross)	12.3	12.3	11.9	19.6	12.2	14.8
Small Cap Growth (Net)	12.2	12.2	11.5	19.1	11.9	14.5
Russell 2000 Growth	17.1	17.1	3.9	14.9	8.4	11.2

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



Information is as of 3/31/2019. Sources: Congress Asset Management, FactSet, Russell Investments, and Informa Investment Solutions. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings and sector weightings throughout this presentation are subject to change and should not be considered investment advice or a recommendation to buy or sell a particular security. Actual holdings may vary by client. Past performance does not guarantee future results. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce investment performance. This information is supplemental to the GIPS® presentation for the composite. Performance returns of less than one year are not annualized. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or underlying data contained in this communication. No further distribution of Russell data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

Q1 2019 Attribution Highlights

Overall Contributors

- Security selection in Information Technology & Consumer Staples
- Overweight allocation to Information Technology

Overall Detractors

- Security selection in Health Care, Consumer Discretionary & Industrials
- Cash allocation

Top 5 Stock Contributors and Detractors

Contributors

STOCK	AVG. WEIGHT%	CONTRIBUTION%
CyberArk Software Ltd.	3.58	1.74
Trade Desk, Inc.	2.09	1.70
Rogers Corporation	2.50	1.14
Mercury Systems, Inc.	2.50	0.83
Novanta, Inc.	2.71	0.80

CyberArk Software Ltd. (CYBR) provides cyber security software primarily in the area of privileged access management. Fourth quarter earnings continued to show an accelerating growth trend as product sales grew 38% with strong flow-through to margins. Sales growth is benefiting from strong marketing execution and broad based demand.

Trade Desk, Inc. (TTD) provides buyers of advertising with a self-service, cloud-based platform for buyers to optimize their digital ad campaigns across ad formats and across devices. One of the Portfolio's worst performers in 4Q18, TTD's fourth quarter earnings reaccelerated as customer adoption remains very strong in the face of macro concerns. Revenues and earnings both grew more than 50% even as the company invests heavily for long term growth.

Rogers Corporation (ROG) manufactures high performance specialty materials and components for applications in the communications, computer, imaging, consumer, and transportation markets. One of the Portfolio's worst performers in 4Q18, ROG's fourth quarter revenues grew 7%, towards the high end of expectations while the uplift from 5G related sales expected later this year has become increasingly visible.

Mercury Systems, Inc. (MRCY) is a defense electronics company, providing critical sensors and systems for use onboard military aerospace platforms. New design wins are pushing up full year organic growth guidance towards double digits, with a long tailed expected benefit to margins as those products launch. Consistent financial performance and no impact from the SuperMicro hack have defused the theses of earlier short seller reports.

Novanta, Inc. (NOVT) is a leading global supplier of technological components to OEM's in the advanced industrial and medical end-markets. Fourth quarter results were inline with expectations but reported 5% growth underscored broad momentum, particularly in the context of Europe's economic slowdown. Commentary towards continued margin improvement is encouraging, having already achieved management's 2020 targets.

Detractors

STOCK	AVG. WEIGHT%	DETRACTION%
Inogen, Inc.	1.84	-0.36
AMN Healthcare Services, Inc.	2.44	-0.35
Emergent BioSolutions, Inc.	2.47	-0.31
Helen of Troy Limited	2.07	-0.30
US Ecology, Inc.	2.44	-0.24

Inogen, Inc. (INGN) manufactures portable oxygen concentrators used in the delivery of supplemental long-term oxygen to patients with chronic respiratory conditions. While sales growth remains impressive, INGN is in the middle of an investment period, a new product launch, a competitive entrant, and a large customer's slowdown. In February, two short seller reports took advantage of already eroded investor confidence.

AMN Healthcare Services, Inc. (AMN) provides healthcare workforce solutions and staffing services in the United States. The Portfolio's top performer in 4Q18, AMN's fourth quarter results saw renewed operational challenges in its Locum Tenens business and first quarter guidance disappointed due to lower seasonal utilization at a large customer.

Emergent BioSolutions, Inc. (EBS) is a specialty biopharmaceutical company focused on the threat of biological and chemical weapons as well as emerging infectious diseases. Investor focus intensified around the potential for competitive threats to EBS's recently acquired NARCAN nasal spray. In addition, 2019 guidance includes what is expected to be a lucrative follow-on contract from the US government for EBS's smallpox vaccine, where negotiations have been delayed.

Helen of Troy Limited (HELE) is a leading global consumer products company with 7 Leadership Brands: OXO, Honeywell, Braun, PUR, Hydro Flask, Vicks, and Hot Tools. As HELE raises prices to offset the margin impact of China tariffs, the short term impact on customer ordering patterns is unclear. Indeed, the high end of revenue guidance was reduced as pricing is not yet resolved with one key retailer and HELE has halted shipments in response.

US Ecology, Inc. (ECOL) is a leading North American provider of environmental services surrounding the treatment, disposal, and recycling of hazardous and radioactive waste. While industrial activity is supportive of organic volume and pricing growth, an explosion at one of ECOL's treatment facilities will limit near term revenue growth and increase costs until its reopening later this year.

1Q 2019 Transaction Summary

Sector Allocation Changes	Purchased	Sold
<ul style="list-style-type: none"> Increase in Consumer Staples & Industrials 	<ul style="list-style-type: none"> MSA Safety, Inc. (MSA) - Industrials 	<ul style="list-style-type: none"> Integrated Device Technology, Inc. (IDTI) Information Technology
<ul style="list-style-type: none"> Decrease in Information Technology 	<ul style="list-style-type: none"> Simply Good Foods, Co. (SMPL) - Consumer Staples Saia, Inc. (SAIA) - Industrials SPS Commerce, Inc. (SPSC) - Information Technology Boot Barn, Inc. (BOOT) - Consumer Discretionary 	<ul style="list-style-type: none"> Standex International Corp. (SXI) - Industrials The Trade Desk, Inc. (TTD) - Information Technology Five Below, Inc. (FIVE) - Consumer Discretionary

Purchased

MSA Safety, Inc. (MSA) is a global supplier of safety equipment with leading share in its niche markets of firefighter breathing apparatus, helmets and protective apparel, industrial head and fall protection, and gas & flame detection. Accelerating organic growth has benefited from global industrial activity, secular trends to protect workers and facilities, and product innovation. Profitability is improving with productivity and manufacturing initiatives, even as R&D investment increases to benefit product development. Meanwhile, MSA's strong balance sheet and healthy cash flow profile should continue to support complementary M&A activity.

Simply Good Foods Co. (SMPL) develops and markets nutritional snack bars, ready to drink shakes and confections primarily under the Atkins brand. In a slowing US packaged food industry, SMPL's low carb, high protein products have shown consistent growth in the faster growing healthy snack segment. Product and marketing initiatives have resonated with a broadening customer base driving double digit growth, while SMPL's asset-light business model results in healthy margins and cash flow.

Saia, Inc. (SAIA) is a freight transportation company with a top 10 position in the fragmented market of less-than-truckload (LTL) shipping, primarily operating in the South and Midwest regions. LTL industry volumes and pricing are benefiting from a tight market as supply is constrained and customers seek supply chain support including increases in deliveries to consumer households. Saia should continue to gain share as its expansion into the Northeast region matures, with additional margin benefits from increased scale.

SPS Commerce, Inc. (SPSC) is a leading provider of cloud-based supply chain management solutions allowing seamless integration of trading partners within the retail supply chain. SPSC has shown consistent double digit growth and highly recurring revenue as retailers look to more efficiently manage increasingly complex supply chains, particularly as they shift towards an omnichannel strategy. Recent results have revealed both significant operating leverage in the business model and a retailer environment increasingly conducive to technology adoption.

Boot Barn Holdings, Inc. (BOOT) is a differentiated retailer specializing in western lifestyle and work-related footwear and apparel. Cowboy boots are more than half the sales mix, a high ticket item that tends to require an in-store visit limiting e-commerce competition and supporting stable margins. Comp sales growth is consistently positive despite periodic headwinds from the energy industry in Texas. Its inexpensive store footprint with short payback periods allows for both double digit store growth and a strong cash flow profile.

Sold

Integrated Device Technology, Inc. (IDTI) is a leading supplier of advanced mixed-signal semiconductor solutions for computing, communications, consumer and industrial/automotive end markets. IDTI was acquired by Renesas Electronics Corporation.

Standex International Corporation (SXI) is a diversified industrial manufacturer focused on niche markets in food service equipment, engraving, engineering technologies, electronics, and hydraulics. The stock was removed from the Portfolio with concerns of a slowdown at semi-conductor equipment customers, weaker Engraving sales from a slowing auto industry, and uncertainty surrounding the divestiture of SXI's underperforming Food Service Equipment business.

Trade Desk, Inc., (TTD) provides buyers of advertising with a self-service, cloud-based platform for buyers to optimize their digital ad campaigns across ad formats and across devices. The stock was removed from the Portfolio after it exceeded the Portfolio's market cap guidelines.

Five Below, Inc. (FIVE) is a niche specialty retailer catering to kids and their parents with merchandise priced at \$5 or less. The stock was removed from the Portfolio after it exceeded the Portfolio's market cap guidelines.

Positioning

Investments are predicated on a company's future prospects rather than economic or market cycles. We seek companies with strong fundamentals, emphasizing earnings growth consistency, free cash flow, and solid balance sheet metrics. There were five purchases and four sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Consumer Staples and Industrial sector weightings in the Portfolio while decreasing the Information Technology weighting.

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.

Congress Asset Management Co.
Small Cap Growth Composite
7/1/2013 - 12/31/2018

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 2000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2000 Growth 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)
2018	2.1	1.7	-9.3	17.4	16.5	103	0.69	30	<1%	7,102	10,234
2017	22.4	22.0	22.2	14.8	14.6	69	0.62	25	1%	7,272	10,546
2016	17.3	16.9	11.3	16.2	16.7	15	n/a	9	1%	5,693	8,139
2015	3.0	2.8	-1.4	n/a	n/a	≤5	n/a	1	n/a	5,941	7,094
2014	6.1	5.9	5.6	n/a	n/a	≤5	n/a	0.6	n/a	6,328	7,449
6/30/13 - 12/31/13	23.0	22.9	22.0	n/a	n/a	≤5	n/a	0.6	n/a	6,489	7,467

#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 Small Cap Growth Composite was created on July 1, 2013. 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 small cap growth style for a minimum of one full month. The small cap growth strategy invests in the equity of high quality companies with market capitalizations between \$300 million and \$4 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 \$50 thousand (US dollars). The primary composite benchmark is the Russell 2000 Growth. The benchmark returns are not covered by the report of the 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. 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 prior to 2016 because 36-month returns were not available.

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.