Portfolio Commentary

SMid Core Opportunity[1]

Market Review

In New England, the inevitable change of seasons is upon us. We are three months closer to a vaccine, but the pandemic's shadow is long, casting shade on the economy. The final stretch of the most contentious presidential election in generations adds to the uncertainty, and for some, a feeling of despondency and exhaustion. The financial markets appear to have ignored it all with stocks staging a frantic rally since March and bond yields anchored near historic lows.

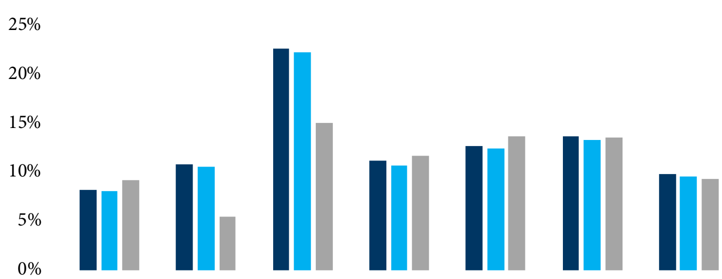
The incongruity of the strong stock market and the uneven, tenuous economic recovery stands out. Investors ignored the pandemic's path and relied instead on the massive stimulus thrown at economies globally since March. The packages were intended to provide both a cushion and path to a stronger economy in 2021. The virus, however, is not deterred by monetary programs and cannot simply be willed away. The anticipated autumn recurrence has arrived accompanied by the now familiar debates about defining essential activities and mustering additional fiscal relief to offset the economic effects of the shutdowns. The path forward is never certain but is unusually precarious now.

Performance Overview

For the quarter ending September 30, 2020, the SMid Core Opportunity Portfolio ("the Portfolio") underperformed its benchmark, the Russell 3000 Index ("the Index"). The Portfolio returned 8.2% (gross of fees) while the Index returned 9.2% for the quarter.

Relative performance was aided by security selection in the Health Care sector as well as sector allocation in the Energy and Financials sectors. However, relative performance was negatively impacted by security selection in the Information Technology, Industrials, and Consumer Staples sectors.

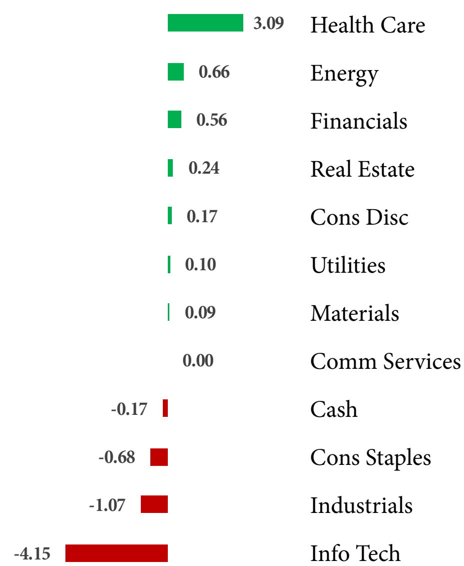
Average Annualized Performance % as of 9/30/2020



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 6/1/2005
SMid Core Opp[1] (Gross)	8.2	10.8	22.6	11.1	12.7	13.7	9.8
SMid Core Opp[1] (Net)	8.1	10.5	22.2	10.7	12.4	13.3	9.6
Russell 3000®	9.2	5.4	15.0	11.7	13.7	13.5	9.3

Performance is preliminary and subject to change

[3]% Total Effect Portfolio vs. Index (6/30/2020 - 9/30/2020)



[1]Prior to March 31, 2018, the Portfolio was known as the Congress All Cap Opportunity Strategy.

[2]On March 31, 2018, the Portfolio's stated investment strategy was updated to reflect its focus of investing in publicly traded stocks of U.S. small and mid capitalization companies with either growth or value characteristics.

[3]The information shown is for a representative account as of 9/30/2020. Actual client account holdings and sector allocations may vary.

3Q 2020 Attribution Highlights

Overall Contributors

- Security selection in Health Care
- Underweight allocations to Energy & Financials

Overall Detractors

- Security selection in Information Technology, Industrials & Consumer Staples

Top 5 Contributors

Stock	Avg. Weight%	Contribution%
R1 RCM Inc.	4.42	1.97
Horizon Therapeutics Plc	5.23	1.92
Zoetis, Inc. Class A	5.48	1.06
Canadian Pacific Railway Ltd.	4.59	0.83
Churchill Downs Incorporated	4.31	0.82

Bottom 5 Detractors/Contributors

Stock	Avg. Weight%	Detraction%
Ciena Corporation	4.70	-1.18
Fortinet, Inc.	4.38	-0.64
Teleflex Incorporated	5.02	-0.30
FTI Consulting, Inc.	3.48	-0.24
MasTec, Inc.	2.91	-0.23

R1 RCM Inc. (RCM) offers technology-enabled revenue cycle management services to healthcare providers; including health systems and hospitals, physician groups, and municipal and private emergency medical service providers. Shares of RCM rose over the quarter as the company closed on two acquisitions that will enhance its software services to its end clients. The company also began onboarding a new medium-sized client, adding a thesis confirming event to its good quarter.

Horizon Pharma plc (HZNP) is a biopharmaceutical company which is engaged in the research, development, and marketing of pharmaceutical products. The company's stock increased as sales of its Tepezza (f.k.a. Teprotumumab) drug exceeded expectations by a factor of almost three. Continuing studies on the drug and its effectiveness suggest that its addressable market may be wider than expected, boding well for future sales growth.

Zoetis, Inc. (ZTS) develops and manufactures animal health medicines and vaccines for both livestock and companion animals. ZTS's stock increased after sales targeting companion animals bloomed, as U.S. veterinary clinics recovered more quickly than expected from the pandemic. Livestock remained challenged due to decreased demand from food service and restaurant channels.

Canadian Pacific Railway Limited (CP) operates transcontinental railways, provides logistics and supply chain expertise, and transports bulk commodities, merchandise freight, and intermodal traffic. CP shares rose during the quarter, as the company lived up to its reputation as a world class railroad operator. The company's efficiency metrics improved; it set a new record for tonnage of grain hauling, while at the same time overcoming softness in automotive revenues.

Churchill Downs Incorporated (CHDN) operates as a provider of pari-mutuel horseracing, online account wagering on horseracing, and casino gaming. CHDN witnessed its stock rise as its online wagering revenues increased, and it began to open casinos that had previously closed due to the pandemic. The return to business as usual was slow but the promise of a Kentucky Derby run in the next quarter caught investor's eyes.

MasTec, Inc. (MTZ) is an infrastructure construction company that operates in the U.S. and Canada through four major segments: Communications, Oil and Gas, Electrical Transmission, and Power Generation and Industrial. MTZ stock fell last quarter as falling revenues from project slowdowns and delays hindered the company's progress. The pandemic has caused permitting delays, reduced crew productivity, delayed project start dates, and increased project shutdowns or cancellations; all negatively impacting the company's two largest segments.

FTI Consulting Inc. (FCN) helps organizations manage change, mitigate risk, and resolve disputes through financial, legal, operational, political and regulatory, reputational and transactional practices. The company's stock shrank during the quarter as most of its practices saw a slowdown over its second quarter. A bright spot was that the demand for restructuring services was strong across many verticals.

Teleflex Incorporated (TFX) designs, develops, manufactures, and supplies single-use medical devices used by hospitals and healthcare providers. TFX shares declined in the third quarter when the company was faced with continued delays and cancellations of elective procedures. TFX initiated a workforce reduction that will trim sales and marketing positions outside of the U.S. as well as impact some operations in its OEM segment.

Fortinet, Inc. (FTNT) provides network security solutions, integrated network security architecture, and a single source for threat management. FTNT stock decreased despite the company reporting good revenue growth. Billings, however, were in line with expectations and were impacted by some deal slippage due to COVID-19 related impacts, which ultimately slowed signings.

Ciena Corporation (CIEN) provides hardware, software, and services that support the transport, switching, aggregation, service delivery, and management of video, data, and voice traffic on communications networks. The company's stock price slid after it revealed that its end markets have been more strongly impacted by COVID-19 than expected. The pandemic has increased the time needed to deploy and activate equipment, extended timelines for ramping up new customers, and has also made customers' buying behavior more cautious.

3Q 2020 Transaction Summary

Purchased	Sold
• Grocery Outlet Holding Corp. (GO) -Consumer Staples • Summit Materials Inc. (SUM) - Materials	• ServiceMaster Global Holdings, Inc. (SERV) - Consumer Discretionary • Performance Food Group Co. (PFGC) - Consumer Staples

Purchased

Grocery Outlet Holding Corp. (GO) is a retail grocery chain that sells its products through independently operated stores in the United States. GO has over 340 small format stores and embraces a value-oriented branding of its stores. The Investment Committee felt that GO would be a beneficiary of staples-related purchases heightened by the pandemic. The value orientation of its clientele also fit well with a population seeking to dine at home on budget terms.

Summit Materials, Inc. (SUM) is a materials company that mainly supplies aggregates, cement, ready-mix concrete, and asphalt paving mix. SUM primarily focuses on the public infrastructure and private construction markets. The Investment Committee appreciated the end markets for SUM, which are likely to continue to operate smoothly through the COVID-19 pandemic. Its business may also be augmented by any fiscal policies that target domestic infrastructure projects.

Sold

ServiceMaster Global Holdings, Inc. (SERV) provides commercial and home services through two segments; Terminix and ServiceMaster Brands. SERV has struggled despite new leadership and a pledge to sell off its ServiceMaster Brands segment and faced strong headwinds due to the pandemic. The Investment Committee lost faith that the company would be able to grow faster than two to three percent a year or transform itself into a stronger entity. Subsequent to the sale of the position from the Portfolio, ServiceMaster changed its name and ticker to Terminix Global Holdings Inc (TMX).

Performance Food Group Company (PFGC) is the third largest broadliner in foodservice distribution and the largest distributor to casual dining chains. Concerns arose that PFGC's end markets will be very slow to recover from the pandemic, especially those for its Vistar segment. The Committee decided that the prospects for further improvement in PFGC's business would be limited.

Outlook

Much about the virus and reactions to it have been politicized and will remain so through the election. The financial markets, however, are weighing the intensity of the virus's second wave with the stronger than anticipated summer economic reports. New case clusters appear overwhelmingly to be affecting younger cohorts as schools and colleges are reopening to mixed success. However, the strain on hospitals and the medical system is being better managed and we are doing a better job protecting the vulnerable. Moreover, housing, consumer net worth, retail sales, and durable goods orders all indicate an economy expanding off deep lows.

Absent a severe virus resurgence, the economy should continue to gradually heal. The recovery's foundation was laid by the dual response of the Federal Reserve Bank (Fed) and the federal stimulus packages enacted in the spring. Most Fed programs are slow acting and are intended as long-term stimulus and fiscal programs target short-term impacts. To help bolster confidence and provide clarity, Federal Reserve Chairman Powell announced plans to keep short term rates anchored at under 0.25%, possibly through 2023. This unprecedented signaling should embolden long term investment as intermediate term interest rates are below inflation.

The housing market has emerged as an area of strength. The pandemic has altered how people use their homes and the value they place on personal space. This behavioral shift combined with historically low interest rates and a secular trend of increased household formation has resulted in robust housing demand. Home sales are up double digits over last year with 70% of existing homes sold within a month of listing. Along with home sales comes furnishings, paint, and re-modeling. This trend is unlikely to fade until interest rates rise.

Inflation remains non-existent and is unlikely to appear until the employment market improves. The official unemployment rate has improved to about 9%, a far cry from the heady pre-pandemic reading of under 4%. Through September the recently unemployed had been bolstered by federal stimulus packages, which helped keep consumer spending at levels consistent with last year. That extra support has now waned. While the combination of low interest rates with negligible inflation should sustain the recovery at current rates, an expanded recovery demands a better labor environment. Both presidential aspirants have promised stimulus packages to address employment issues.

This presidential election is notable for the level of vitriol it has engendered. But we are faced with uncertain agendas every four years. This is not unusual. Both candidates appear to recognize the uniqueness of the pandemic and its effects on our economy. Both will push new stimulus plans once elected. Voters have a clear choice in temperament, tax policy, domestic priorities, and international relations but primary for both candidates is enhancing growth as soon as possible. As happens after every presidential election, U.S. companies will adjust. Our process, often messy, forces companies to adapt and respond to incentives. In this sense, 2020 is little different from other presidential election cycles.

On the whole, 2020 is unique because of the pandemic that indirectly caused a rare synchronized, global recession. A full recovery including large social gatherings and care-free travel is unlikely until vaccines are approved and widely available. In the U.S. alone there are four large scale, stage three vaccine trials underway. Wide scale adoption is likely in the first half of 2021.

The economic recovery remains tenuous and in the U.S. is driven by the consumer who has shifted spending habits. Manufacturing has been slower to recover but inventories have been drawn down to unsustainably low levels suggesting replenishment should be additive over the next few quarters. This unspectacular economic trend will be supported over the longer term by the Fed programs. Most likely, more fiscal stimulus is also on the way, although its magnitude and timing are uncertain. Stocks remain the preferred asset class given low bond yields and the potential of a stronger economy in 2021.

Congress Asset Management Co. SMid Core Opportunity Composite 1/1/2010 - 12/31/2019

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 3000 Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 3000 3-Yr annualized 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	29.3	28.9	31.0	15.0	12.2	199	1.19	104	8,445	12,528
2018	-10.2	-10.5	-5.2	16.3	11.2	224	0.80	85	7,102	10,234
2017	24.0	23.6	21.1	13.9	10.1	254	1.50	135	7,272	10,546
2016	12.9	12.5	12.7	14.4	10.9	256	1.67	123	5,693	8,139
2015	-3.5	-3.8	0.5	12.0	10.6	76	1.40	70	5,941	7,094
2014	15.1	14.7	12.6	10.7	9.3	71	0.96	82	6,328	7,449
2013	30.9	30.4	33.6	14.8	12.5	69	0.73	75	6,489	7,467
2012	16.2	15.8	16.4	17.5	15.7	52	0.46	46	6,755	7,498
2011	4.8	4.5	1.0	21.4	19.3	36	n/a	30	6,329	7,014
2010	19.9	19.5	16.9			≤5	n/a	3	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. 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. The SMid Core Opportunity Composite has been examined for the periods 4/1/13 – 12/31/18. The verification and performance examination reports are available upon request.

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 SMid Core Opportunity Composite was created on December 31, 2005 and has an inception date of May 31, 2005. This inception date reflects the first full month an account was fully invested in the strategy and met the inclusion criteria. As of March 1, 2018 the All Cap Opportunity Composite was renamed the SMid Core Opportunity composite. The composite includes all fully discretionary accounts with a value over $100 thousand (US dollars) managed in the SMid core opportunity style for a minimum of one full month. The SMid core opportunity strategy's investment premise is that market efficiencies exist between fixed income and equity valuation techniques. We seek to uncover these efficiencies, and identify equity investment opportunities in order to pursue long term capital appreciation. We employ a combination of formal quantitative screening followed by bottom up fundamental analysis. We focus on stocks with market capitalizations between $300 million and $40 billion (at the time of purchase). The strategy is opportunistic, providing management flexibility to focus on securities and industries that are often under researched and we believe poised to experience earning growth. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016 the composite minimum was $500 thousand (US dollars). The composite benchmark is the Russell 3000 Index. Effective January 1, 2009 the SMid Core Opportunity benchmark was changed retroactively from the S&P 500 Index to the Russell 3000 Index due to closer correlation of returns and market cap allocation. 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 100% 2005-2008. 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. Net of fees returns are calculated using actual management fees. From inception until mid-2009 the SMid Core Opportunity Composite included one non-fee paying account (which was the only account in the composite). The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. Accruals for fixed income and 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.