Portfolio Commentary

2Q 2020

SMid 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.

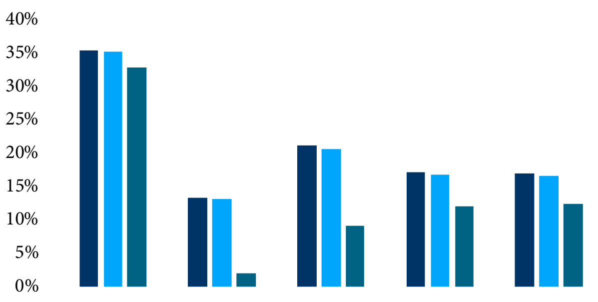
The maelstrom has upended the typical economic indicators which are backward looking and distorted by the shut down and related policy reactions. Hence, the collapse in GDP. Consumers, on the other hand, were forced to re-trench and dramatically reduced spending. At the same time, the stimulus payments 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 SMid Growth Portfolio ("the Portfolio") returned 35.4% gross of fees during the quarter, while the Russell 2500 Growth Index returned 32.9%.

The Portfolio benefited from security selection in Consumer Discretionary, Financials, Health Care, and Industrials. However, security selection in Information Technology and Materials detracted from performance.

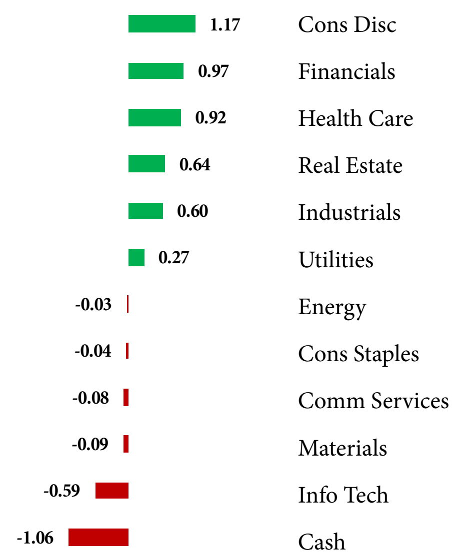
% Average Annual Returns as of 6/30/2020



	QTD	YTD	1 Yr	3 Yrs	Inception (4/1/2017)
SMid Growth (Gross)	35.4	13.4	21.1	17.2	17.1
SMid Growth (Net)	35.3	13.2	20.6	16.7	16.6
Russell 2500 Growth *	32.9	2.0	9.2	12.1	12.5

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 Consumer Discretionary, Financials, Health Care & Industrials

Overall Detractors

- Security selection in Information Technology & Materials
- Cash allocation

Top 5 Contributors

Stock	Avg. Weight%	Contribution%
Etsy, Inc.	2.81	3.21
Horizon Therapeutics Plc	2.86	2.02
MarketAxess Holdings Inc.	3.78	2.01
Synopsys, Inc.	3.78	1.80
Monolithic Power Systems, Inc.	3.80	1.48

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%	Contribution%
SPS Commerce, Inc.*	0.61	0.08
Teledyne Technologies Incorporated	1.88	0.17
Raymond James Financial, Inc.**	1.19	0.19
CyberArk Software Ltd.	1.12	0.19
Medpace Holdings, Inc.*	0.38	0.20

*Purchased during the quarter. **Sold during the quarter.

Etsy, Inc. (ETSY) manages an online global marketplace for unique and creative goods such as shoes, clothing, bags, and accessories. Etsy saw an acceleration in business in April as consumers gravitated to its marketplace for masks and other products after the pandemic breakout. Etsy is focused on retaining these new customers and expanding its already strong seller and buyer networks. The company provided solid second quarter guidance and it expects a continued tailwind from the sale of COVID-19 related products.

Horizon Therapeutics Plc (HZNP) is a biopharmaceutical company that provides therapies for orphan diseases, specifically uncontrolled gout and thyroid eye disease. Krystexxa, HZNP's therapy for uncontrolled gout, had good quarterly sales despite some disruption at the end of the quarter due to COVID-19. The therapy saw an increase in new accounts and expanded use in current accounts. These trends reflect the benefits patients are getting by combining an immunomodulator with Krystexxa. The launch of Tepezza, HZNP's therapy for thyroid eye disease, was successful. Management raised guidance for the product after just one quarter of sales and is already seeing uptake with inactive thyroid eye patients, a much larger population than the active population.

MarketAxess Holdings, Inc. (MKTX) is a financial technology company focused on the global fixed income marketplace. The company reported a very strong first quarter: it provided incremental liquidity to customers during a period of extreme market stress and saw market share gains. The fixed income market has continued to see new issuance growth as companies seek to bolster their liquidity.

Synopsys, Inc. (SNPS) is a leader in the electronic design automation (EDA) industry. The company develops software and hardware for electronic chip systems and the software that runs on them. Despite macro concerns, SNPS continued to see strong demand for its EDA software, which was reflected in the better than anticipated order growth during the quarter.

Monolithic Power Systems, Inc. (MPWR) is a semiconductor company that designs, develops, and markets high-performance power solutions. Monolithic reported 17% revenue growth in the fiscal first quarter as the semiconductor industry saw broad-based end-market strength, and MPWR once again outgrew the industry significantly. Despite COVID-19 related concerns, it has not experienced any production issues or major demand disruption and expects to experience a clean inventory channel.

SPS Commerce (SPSC) is the leading provider of cloud-based supply chain management solutions. The company's software gives users the support needed to enhance collaboration and make manual processes more efficient. After bottoming out in mid-March, SPSC's stock price recovered to above its pre-pandemic value as the company reported positive quarterly results driven by continued strength in recurring revenue and margin expansion.

Teledyne Technologies, Inc. (TDY) provides electronic and communication products for wireless and satellite systems. TDY stock lagged as the company's organic growth decelerated to flat due to weakness in the Commercial Aerospace business and exposure to the oil and gas industries. TDY also lowered full year guidance and guided its second quarter well below prior expectations.

Raymond James Financial, Inc. (RJF) is an investment banking company that provides financial services to individuals, businesses, and municipalities. In recent quarters, RJF has struggled to maintain expense growth discipline and has seen its advisory business slow. The low interest rate environment is a clear drag on its net interest margin and Covid-19 will likely continue to impact the investment banking business.

CyberArk Software Ltd. (CYBR) is a global leader in IT security. The company's quarterly results were negatively impacted by the cancellation of certain deals. In addition, management anticipates that Covid-19 will slow business down in certain industries including retail, travel, and oil and gas.

Medpace Holdings, Inc. (MEDP) is a contract research organization (CRO) that provides outsourced clinical development services to biotechnology and pharmaceutical companies. MEDP had a strong quarter with revenues up in the mid-teens range. However, net new business awards, an indicator of future trends, were down slightly. MEDP is feeling the impact of the pandemic as test sites have not been open to gather patient data. Despite the temporary slowdown, MEDP's clients are still well-funded to restart studies once the pandemic subsides.

2Q 2020 Transaction Summary

Sector Allocation Changes

- Increased allocation in Information Technology & Health Care
- Decreased Allocation to Industrials & Financials

Purchased

- The Trade Desk, Inc. (TTD) - Information Technology
- SPS Commerce (SPSC) - Information Technology
- Medpace Holdings, Inc. (MEDP) - Health Care

Sold

- RBC Bearings (ROLL) - Industrials
- Curtiss-Wright Corp. (CW) - Industrials
- Raymond James Financial, Inc. (RJF) - Financials

Purchased

The Trade Desk, Inc. (TTD) offers a self-service, cloud-based platform for digital advertisers. Its platform provides brand advertisers and ad agencies with the ability to create, manage, and optimize digital ad spending. TTD is uniquely positioned to benefit from the growing complexity of digital advertising due to its leading position in programmatic and Connected TV. Regulation has also proven to be a tailwind given TTD's differentiated culture of transparency and objectivity which is resonating with both new and existing clients.

SPS Commerce (SPSC) is the leading provider of cloud-based supply chain management solutions. The company is exposed to major secular tailwinds as retailers look to more efficiently manage the increasing complexity of their supply chains as business models shift to omnichannel.

Medpace Holdings, Inc. (MEDP) is a contract research organization (CRO) that provides outsourced clinical development services to biotechnology and pharmaceutical companies. The company is unique in its full-service and turnkey solution, which appeals to small and mid-sized companies that need the infrastructure and clinical experience that it offers. These small and mid-sized biopharma companies are well funded with both private and public markets providing near record levels of investment. MEDP is positioned to benefit from this trend as these companies look for a partner to help develop innovative medicines.

Sold

RBC Bearings (ROLL) is an international manufacturer of highly engineered precision bearings and components. Its products reduce wear on moving parts, facilitate power transmission, and reduce damage and energy loss caused by friction. ROLL continues to deliver weak organic growth in its Industrial segment. In addition, ongoing challenges with the production of Boeing's MAX 737 aircraft, which rely on over $100,000 worth of RBC bearings per plane, presents an incremental risk. Despite these factors, the stock continued to trade at a premium valuation.

Curtiss-Wright Corp. (CW) provides products, systems, and services to the commercial, industrial, defense, and power markets. In recent quarters, CW has experienced growing headwinds in its General Industrial business due to reduced demand for industrial vehicle products and surface treatment services. The Commercial Aerospace business has also been negatively impacted by production challenges at Boeing and generally lower commercial air traffic due to COVID-19.

Raymond James Financial (RJF) is an investment banking company that provides financial services to individuals, businesses, and municipalities. In recent quarters, RJF has struggled to maintain expense growth discipline and has seen its advisory business slow. The low interest rate environment is a clear drag on its net interest margin and the investment banking business is likely to continue to be impacted by COVID-19.

Positioning

Portfolio 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 three purchases and three sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Information Technology and Health Care weightings, while reducing its Industrials and Financials 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 remain for state and municipal governments where shrunken tax receipts are beginning to bite. We anticipate another fiscal stimulus program to

Sources: Congress Asset Management (CAM) Russell Investments and Factset.
The views expressed in this document are as of publication date and are subject to change at any time due to changes in market or economic conditions.

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. SMid Growth Composite 4/1/2017 - 12/31/2019

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 2500 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2500 Growth 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	28.7	28.2	32.7	n/a	n/a	14	n/a	37	8,445	12,528
2018	1.3	0.9	-7.5	n/a	n/a	≤5	n/a	27	7,102	10,234
3/31/17–12/31/17	12.8	12.5	17.1	n/a	n/a	≤5	n/a	35	7,272	10,546

#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 SMid Growth Composite was created on April 1, 2017. 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 SMid growth style for a minimum of one full month. The SMid growth strategy invests in the equity of high quality companies with market capitalizations between $300 million and $20 billion (at the time of purchase) exhibiting consistent earnings growth. Accounts with wrap commissions are excluded from the composite. The primary composite benchmark is the Russell 2500 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. The composite is valued daily. 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 because 36-month returns are 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.