CONGRESS ASSET MANAGEMENT COMPANY

3Q 2020

Portfolio Commentary

SMid Growth Portfolio

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.

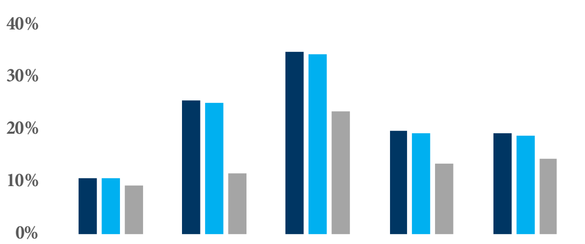
The incongruity of the strong stock market and the uneven, tenuous economic recovery stands out. Investors ignored the pandemic's path and relied instead on the massive stimulus thrown at economies globally since March. The packages were intended to provide both a cushion and path to a stronger economy 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

The Congress SMid Growth Portfolio ("the Portfolio") returned 10.7% gross of fees during the quarter, while the Russell 2500 Growth Index returned 9.4%.

The Portfolio benefited from security selection in Industrials, Health Care, and Communication Services. An overweight allocation to Industrials also aided performance. However, security selection in Consumer Discretionary, Financials, and Consumer Staples detracted from performance.

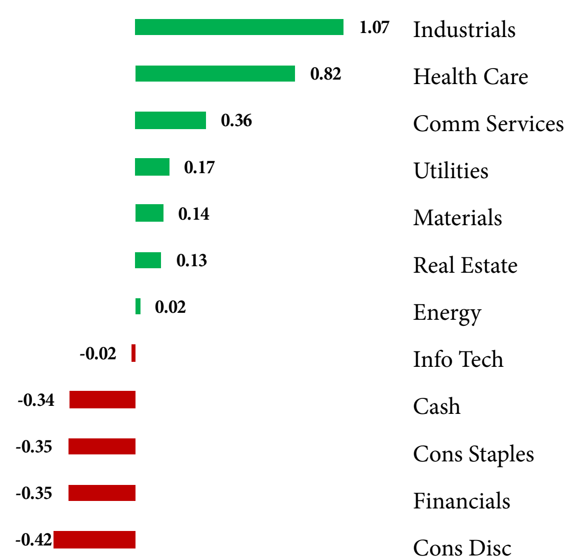
% Average Annual Returns as of 9/30/2020



	QTD	YTD	1 Yr	3 Yrs	Inception (4/1/2017)
SMid Growth (Gross)	10.7	25.5	34.9	19.8	19.2
SMid Growth (Net)	10.6	25.1	34.3	19.3	18.7
Russell 2500 Growth*	9.4	11.6	23.4	13.4	14.5

Performance is preliminary and subject to change

[1]% Total Effect Portfolio vs. Index 6/30/2020 - 9/30/2020



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

Information is as of 9/30/2020. 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.

3Q 2020 Attribution Highlights

Overall Contributors

- Security selection in Industrials, Health Care & Communication Services
- Overweight allocation to Industrials

Overall Detractors

- Security selection in Consumer Discretionary, Financials & Consumer Staples
- Cash allocation

Top 5 Contributors

Stock	Avg. Weight%	Contribution%
Generac Holdings Inc.	3.49	1.60
Horizon Therapeutics Plc	3.78	1.29
Pool Corporation	3.33	0.75
Trade Desk, Inc. Class A	2.82	0.71
Charles River Laboratories Int. Inc.	2.59	0.70

Bottom 5 Contributors/Detractors

*Sold during the quarter.

Stock	Avg. Weight%	Contribution%
HMS Holdings Corp.	1.52	-0.43
ResMed Inc.	3.29	-0.30
Jack Henry & Associates, Inc.	2.22	-0.28
DexCom, Inc.*	2.15	-0.13
Lamb Weston Holdings, Inc.*	0.65	-0.11

Generac Holdings, Inc. (GNRC) is a leading global designer and manufacturer of a wide range of power generation equipment. Generac reported very strong second quarter results and suggested continued strength in the second half of the year. The company continues to benefit from the increased awareness and adoption of home standby generators driven by a combination of utility shutoffs, COVID-19 concerns, an active hurricane forecast, and West Coast wildfires.

Horizon Therapeutics Plc (HZNP) is a provider of therapies for orphan diseases, specifically uncontrolled gout and thyroid eye disease. The strong launch of Tepezza, Horizon's novel therapy for thyroid eye disease, continued with management raising both full year guidance for the drug as well as peak sales estimates from $1 billion to greater than $3 billion. Rapid uptake is being driven by the severity of the disease, pre-launch efforts, and commercial execution. Krystexxa, Horizon's therapy for uncontrolled gout, performed better than expected due to greater durability of responses when Krystexxa is used with immunomodulators.

Pool Corporation (POOL) is the largest distributor of outdoor swimming pool supplies and services in the United States. POOL reported a very strong second quarter with organic growth of 14% as families continue to search for safe, stay at home activities. POOL raised full year guidance significantly as management expects favorable trends to continue.

Trade Desk Inc. (TTD) a software platform for advertising buyers. While the company's latest quarter was negatively impacted by COVID-19, guidance was much better than expected. This factor combined with 95% customer retention drove the stock's outperformance.

Charles River Laboratories Int. Inc. (CRL) specializes in a variety of preclinical and clinical laboratory services for the pharmaceutical, medical device, and biotechnology industries. The Research Models and Services segment performed better than expected as academic institutions re-opened sooner than expected and restarted their research. The Discovery and Safety Assessment segment continued its run of strong results fueled by a robust biotech funding environment which has led to strong bookings. The Manufacturing segment also performed very well and was led by the Biologics division where growth was supported by favorable industry dynamics and a rapid increase in the development of biologic drugs.

HMS Holdings Corp. (HMSY) provides cost containment solutions in the healthcare marketplace. Coordination of benefits revenues were disrupted due to the reduction in elective surgeries which led to lower claim volumes and recovery dollars. Payment integrity was impacted by a pausing of medical record requests and audits as HMSY's customers focused on the pandemic. The company expects volumes to return to more normalized levels and audits to resume once the severity of the pandemic subsides.

ResMed, Inc. (RMD) develops, manufactures, distributes, and markets medical equipment and software solutions for sleep apnea, COPD, and other respiratory diseases. Sales of ResMed's ventilators outperformed again this quarter as the UK, German, and French governments purchased devices to help hospitals battle COVID-19. However, sales in the base Sleep business struggled as sleep centers across the world reopened at differing rates and recurring mask sales outside of the US were not as resilient as investors had hoped. Sleep centers are expected to gradually reopen through the rest of the year, however.

Jack Henry & Associates (JKHY) is a FinTech company focused on payment processing services for financial services organizations; primarily banks and credit unions. The company's quarterly results were negatively impacted by additional costs related to the migration of its debit card customers to its new processing platform. This has caused a deceleration in operating margin.

DexCom, Inc. (DXCM) is a medical device manufacturing company that produces glucose monitoring systems. DXCM had a strong quarter that was highlighted by continued momentum with Type 1 diabetics and increased penetration into the much larger Type 2 market. The Pharmacy channel continued to outperform given the low out of pocket costs for the end consumer, however, given that DXCM's G7 trial remains delayed due to COVID-19, DXCM shares lagged the market.

Lamb Weston Holdings, Inc. (LW) is a leading global producer, distributor, and marketer of value-added frozen potato products; primarily french fries. Lamb Weston reported a difficult quarter with weak sales due to the slow re-opening pace of restaurant customers due to COVID-19 restrictions. LW also encountered operational challenges as its workforce experienced absences due to the virus. Finally, the company faced margin pressure from rising raw material costs.

3Q 2020 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Increased allocation to Consumer Staples • Decreased allocation to Health Care	• BJ's Wholesale Club Holdings, Inc. (BJ) - Consumer Staples • The Boston Beer Company, Inc. (SAM) - Consumer Staples	• Lamb Weston Holdings, Inc. (LW) - Consumer Staples • DexCom, Inc. (DXCM) - Health Care

Purchased

BJ's Wholesale Club Holdings, Inc. (BJ) operates wholesale clubs in the United States. BJ is seeing the benefits of merchandising initiatives as it expands its offerings in non-consumable items. BJ's has also made strides in improving its membership offerings, leading to greater member retention. BJ is showing an increase in comparable store sales from these initiatives and the impact of COVID-19 on consumer shopping behavior.

The Boston Beer Company, Inc. (SAM) produces and sells alcohol beverages such as Samuel Adams, Truly Hard Seltzer, Twisted Tea, and Angry Orchard. SAM has experienced rapid growth with its Truly Hard Seltzer brand in the nascent hard seltzer category. Truly has benefited from a flavor reformulation, strong product introductions, and the ability to expand production to meet strong demand.

Sold

Lamb Weston Holdings, Inc. (LW) is a leading global producer, distributor, and marketer of value-added frozen potato products; primarily french fries. LW's business has been disproportionately impacted by COVID-19 as many restaurants remained closed or are operating at limited capacity. Lamb Weston has also experienced operational challenges with their own workforce being impacted by the virus. Ultimately, LW's return to normalized growth is likely to be prolonged.

DexCom, Inc. (DXCM) is a medical device company that focuses on the development of continuous glucose monitors for diabetes patients. Rapid uptake of the company's solutions and expansion into the pharmacy channel drove solid results from the company this year. These results have increased DXCM's market capitalization out of the SMid Growth range and resulted in the position being sold.

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 two purchases and two sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Consumer Staples weighting, while reducing the Health Care weighting.

Outlook

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

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.

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 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.