

Portfolio Commentary

LARGE CAP GROWTH

Market Review

The first quarter of 2023 was a financial rollercoaster. A record January for stocks gradually eroded as inflation metrics refused to decline and the Federal Reserve maintained its hawkish rhetoric. The failure of Silicon Valley Bank and forced closure of Signature Bank caught markets off-guard and led to a sharp rise in risk sentiment. A broader bank crisis has been averted for now, but the upshot is likely higher borrowing costs and a mild recession later this year.

Imprudence by bankers and regulators was the proximate cause for the current banking crisis. However, the crisis has its roots in the aggressive fiscal and monetary moves undertaken during the pandemic. Starting about a year ago, the Federal Reserve (Fed) began raising the Federal Funds Rate to raise the cost of capital and nip inflation. This rate hiking cycle has dealt several blows to banks in the form of an inverted yield curve, bond losses, and lower bank deposits, a highly unusual occurrence. The combination will weigh on banks' willingness and ability to lend going forward.

Current measures of economic activity are mixed. The labor market, vital to economic stability and growth, remains strong. While there continues to be a mismatch between available jobs and willing workers, the gap is narrowing. Consumer balance sheets are beginning to show some weakness but broadly remain healthy. The nascent re-shoring of manufacturing, combined with aspirational goals of a sustainable economy, bode well for capital spending. On the other hand, leading economic indicators have broadly contracted over the last 12 months, and the inversion between the 2-year and 10-year Treasury yield persists, suggesting growth may be challenged later in the year.

Inflation appears to be on a downward trajectory, though it remains far above the Fed's 2% target. Getting there will take time, probably years, and progress

will not be linear. Housing costs are a significant contributor to inflation. As a nation, we have underinvested in housing for decades. Increased demand during the pandemic, fueled by historically low mortgage rates, collided with a lack of housing to spike shelter inflation. The sharp increase in house values has stalled, but it will take at least a few more months for price stability to be reflected in the CPI. Housing stock needs to expand and will as there are more than 1.7 million housing units under construction, by far the most since 1973.

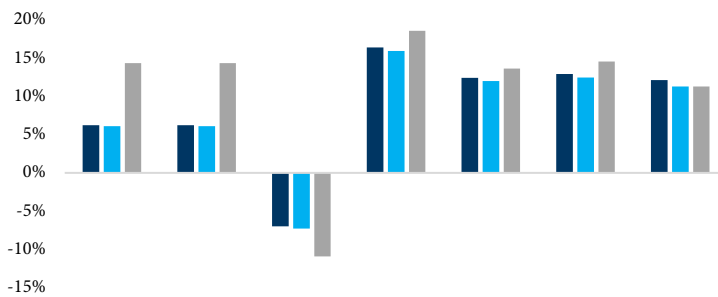
The global economic picture is equally murky. China's pandemic re-opening is gathering steam but is overshadowed in the U. S. by geopolitics and security concerns about Chinese owned social networker Tik Tok. While the continuing Russian invasion of Ukraine looms in the background, Europe has fared far better than feared. A mild winter helped contain fuel prices despite curtailed Russian supplies and continental Europe is investing to supplement its energy and power grids.

Performance Overview

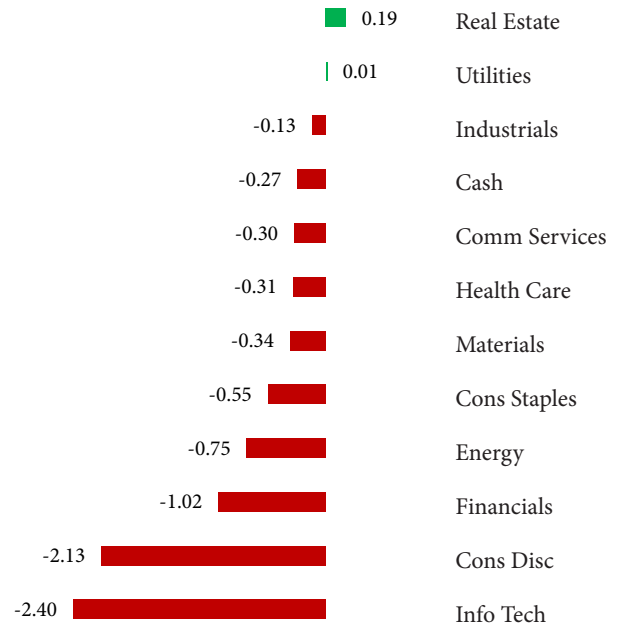
The Congress Large Cap Growth Portfolio ("The Portfolio") returned 6.2% (gross of fees) and 6.1% (net of fees) during the quarter, while the Russell 1000 Growth Index ("The Index") returned 14.4%.

The Portfolio benefited from security selection in Industrials and underweight relative allocations to Real Estate, Financials, and Consumer Discretionary. However, security selection in Consumer Discretionary, Information Technology, and Financials detracted from performance, as did an underweight relative allocation to Information Technology.

Average Annualized Performance % as of 3/31/2023



% Total Effect Portfolio¹ vs. Index (12/31/2022- 3/31/2023)



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Large Cap Growth Composite (Gross)	6.2	6.2	-7.0	16.4	12.5	13.0	12.1
Large Cap Growth Composite (Net)	6.1	6.1	-7.3	16.0	12.0	12.5	11.3
Russell 1000 Growth [®]	14.4	14.4	-10.9	18.6	13.7	14.6	11.3

Performance is preliminary and subject to change at any time.

Data is as of 3/31/2023. Sources throughout this presentation: Congress Asset Management, FactSet, Russell Investments, and Morningstar Direct. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings and sector weightings 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 GLPS Report. Performance returns of less than one year are not annualized. This managed account strategy involves risk, may not be profitable, may not achieve its objective, and may not be suitable or appropriate for all investors. Investors should consider the investment objectives, risks, and fees of this strategy carefully with their financial professional before investing. 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. ¹The information shown is for a representative account as of 3/31/2023. Actual client account holdings and sector allocations may vary.

1Q 2023 Attribution Highlights

Overall Contributors

- Security selection in Industrials
- Underweight allocations to Real Estate, Financials & Consumer Discretionary

Overall Detractors

- Security selection in Consumer Discretionary, Information Technology & Financials
- Underweight allocation to Information Technology

Top 5 Contributors/Detractors

STOCK	AVG. WEIGHT%
NVIDIA Corporation	2.66
Apple, Inc.	4.31
Microsoft Corporation	3.19
Synopsys, Inc.	2.70
Amazon.com, Inc.	2.37

NVIDIA Corp. (NVDA) is a leading semiconductor company that focuses on chips for gaming, artificial intelligence (AI) and other advanced computing functions. Despite widespread inventory issues in the semiconductor space, recent earnings results for NVDA highlighted accelerating growth across its gaming and AI platforms driven by heightened demand and new product launches.

Apple, Inc. (AAPL) is the world's largest information technology company. The company reported a rare earnings estimate miss in the first quarter but provided positive commentary on Chinese demand returning and easing supply chain and production issues.

Microsoft Corp. (MSFT) is the world's largest software company with products ranging from PC operating systems and enterprise applications to cloud-based offerings. While the macroeconomic environment is a headwind for commercial spending, the company is positioned favorably given the secular shift to the cloud and increased cybersecurity threats.

Amazon.com, Inc. (AMZN) is the world's leading online retailer. The stock rallied in January along with most of the technology sector. Management struck an optimistic tone for the latter half of the year, focusing on expense management and efficiency in its Retail segment, along with the company's dominant position in cloud computing.

Synopsys, Inc. (SNPS) is a leading provider of electronic design automation solutions and services primarily used in the semiconductor industry. Despite moderating guidance expectations from management, the stock has been a consistent performer. Its ballast growth characteristics and ties to secular themes of increasing complexity within chip design have been viewed favorably in a more volatile semiconductor landscape.

Bottom 5 Contributors/Detractors

STOCK	AVG. WEIGHT%
First Republic Bank	1.48
Northrop Grumman Corp.	1.99
UnitedHealth Group Incorporated	2.70
Pioneer Natural Resources Co.	3.07
Estee Lauder Companies, Inc.	1.61

First Republic Bank (FRC) engages in private banking, business banking, real estate lending, and wealth management, including trust and custody services. The stock came under significant pressure along with other bank stocks when industry concerns around deposit levels and unrealized market losses in fixed income securities emerged. The position was sold during the quarter.

Northrop Grumman Corp. (NOC) is a leading multinational aerospace and defense technology company. Potential cost overruns related to its B-21 program weighed on the stock's performance, as did concerns around Congressional support for defense spending.

UnitedHealth Group Incorporated (UNH) provides health care coverage, software, and data consultancy services through various business segments to the healthcare industry. UNH reported quarterly results that were in line with its prior guidance. However, the Centers for Medicare & Medicaid Services released its 2024 Medicare Advantage notice that included lower than expected reimbursement rates.

Pioneer Natural Resources Co. (PXD) is an independent oil and gas exploration and production company. Pioneer reported a strong fourth quarter with better-than-expected production, realized prices, and operational efficiency. However, the stock lagged the market as concerns surrounding future demand negatively impacted the price of crude oil.

Estee Lauder Companies, Inc. (EL) manufactures skin care, makeup, fragrance, and hair care products. Estee Lauder's fiscal 2nd quarter results were below expectations as core product sales were impacted by continued COVID-related travel restrictions in China. Despite a lackluster near-term outlook, management struck an optimistic tone for the latter half of the year driven by a revamped US distribution network, new product introductions, China reopening, and investments in digital capabilities.

1Q 2023 Transaction Summary

Sector Allocation Changes	Purchased	Sold
<ul style="list-style-type: none"> Increased allocation to Consumer Discretionary & Communication Services 	Estee Lauder Companies, Inc. (EL) - Consumer Discretionary	Lululemon Athletica, Inc. (LULU) - Consumer Discretionary
<ul style="list-style-type: none"> Decreased allocation to Industrials & Financials 	Tesla, Inc. (TSLA) - Consumer Discretionary The Trade Desk, Inc. (TTD) - Communication Services	Caterpillar, Inc. (CAT) - Industrials First Republic Bank (FRC) - Financials

Purchased

Estee Lauder Companies, Inc. (EL) is one of the world's leading manufacturers and marketers of quality skincare, makeup, fragrances, and hair care products with brands including Estee Lauder, Clinique, La Mer, Aveda, and MAC. Broad exposure to secular themes such as the growth of the middle class in emerging markets, the aging population in developed markets, and the expansion of "prestige" brands should be supportive of baseline demand over time. Further, the company has used its scale and focus on innovation to gain category share and reposition the business for growth and profitability through e-commerce.

Tesla, Inc. (TSLA) designs, develops, manufactures, and sells electric vehicles (EV) and energy generation and storage systems. Tesla's Automotive business continues to grow due to a strong product lineup, manufacturing efficiencies, and a well-established consumer brand. Tesla uses a direct sales model and does not employ traditional advertising and marketing techniques, which results in cost savings. The company has also maintained a dominant market share in the EV market and its financial profile has matured over the past couple of years.

The Trade Desk, Inc. (TTD) provides a technology platform for advertising buyers. The digital advertising market has industry tailwinds from programmatic ad buying and Connected TV. TTD has a solid market position in this market as it helps customers make more accurate and cost-effective advertising campaign decisions.

Sold

Lululemon Athletica, Inc. (LULU) manufactures and sells athletic apparel. The company has reported increased inventory over the past few quarters, resulting in price markdowns on its products. In addition, there are increasing concerns regarding the state of the high-end consumer (LULU's core demographic) given the current economic outlook and following two years of elevated purchasing activity during the pandemic.

Caterpillar, Inc. (CAT) is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives. Heading into 2023, there are elevated risks to its businesses – particularly the impact of rising interest rates on industrial end-user demand and continued pressure on operating margins from persistently high inflation.

First Republic Bank (FRC) engages in private banking, business banking, real estate lending, and wealth management, including trust and custody services. The stock came under significant pressure along with other bank stocks when industry concerns around deposit levels and unrealized market losses in fixed income securities emerged. FRC was not immune to these concerns and faced the risk of significant customer deposit outflows, potentially impacting capitalization and growth, and prompting increased government oversight.

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 three purchases and three sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Consumer Discretionary and Communication Services weightings, while reducing its Industrials and Financials weightings.

Outlook

The outlook for corporate earnings in 2024 and the 10-year Treasury yield will likely determine the course for stocks this year. Earnings in 2023 are expected to be largely uninspiring. Many retail and consumer companies have suggested they cannot raise prices, and protecting profit margins has taken on increased importance. Inventory investments have reversed as supply chains recover - double ordering has given way to destocking. Technology companies have laid off workers in anticipation of a slowdown this year. Others have delayed projects or re-instituted fiscal discipline in their daily operations. These steps set the stage for a revenue and earnings recovery in 2024. In the interim, the stock market's valuation of approximately 16x earnings is reasonable, as investors de-emphasize current year earnings and focus on the potential for a robust rebound next year.

While bond yields dropped commensurate with the bank crisis, the long period of declining interest rates from the late 1970's – 2021 is over. Rates are likely range bound even with heightened volatility as strong demand for income persists after a period of unusually low rates. We believe the short- to intermediate-term offers the most attractive risk/reward, and we continue to find opportunities to increase yield while maintaining quality.

Largely under the radar, the U.S. has hit its legislated \$34.1 trillion debt ceiling. History suggests that the limit will be raised, allowing the U.S. to avoid default on existing debt and to issue new debt. We expect Congress to raise the limit in late summer but only after acrimonious negotiations and risk of default. Stocks and bonds are likely to react negatively should Congress fail to act before September.

The range of potential intermediate-term economic outcomes remains wide, but recession odds have increased with recent events. As should be clear by now, neither the Fed nor the economic establishment understand the full implications of the aggressive fiscal and monetary moves undertaken during the pandemic. While uncertainty abounds, we remain confident that a focus on high-quality companies will allow investors to weather any coming storms and benefit from continued market strength.

Congress Asset Management Co. Large Cap Growth Composite 1/1/2013 - 12/31/2022

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P 500 Return % (dividends reinvested)	Russell 1000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P 500 3-Yr annualized ex-post St Dev (%)	Russell 1000 Growth 3-Yr St Dev (%)	Number of Portfolios	Gross Disper- sion %	Total Com- posite Assets End of Period (\$ millions)	Total Firm Discretionary Assets End of Period (\$ millions)	Total Firm Advisory-On- ly Assets End of Period (\$ millions)	Total Firm Assets End of Peri- od # (\$ millions)
2022	-21.6	-21.9	-18.1	-29.1	21.2	20.9	23.5	171	0.86	242	10,083	6,799	16,882
2021	26.1	25.6	28.7	27.6	16.4	17.2	18.2	154	0.92	205	12,778	8,018	20,796
2020	28.0	27.5	18.4	38.5	17.3	18.5	19.6	150	1.27	258	10,746	5,523	16,269
2019	34.4	33.9	31.5	36.4	11.5	11.9	13.1	114	0.82	207	8,445	4,083	12,528
2018	2.5	2.1	-4.4	-1.5	10.5	10.8	12.1	80	0.30	136	7,102	3,132	10,234
2017	27.2	26.6	21.8	30.2	9.9	9.9	10.5	78	0.58	111	7,272	3,274	10,546
2016	5.6	5.1	12.0	7.1	10.7	10.6	11.2	81	0.43	98	5,693	2,445	8,139
2015	2.8	2.2	1.4	5.7	11.1	10.5	10.7	28	0.49	65	5,941	1,153	7,094
2014	10.1	9.5	13.7	13.1	10.1	9.0	9.6	30	0.47	89	6,328	1,121	7,449
2013	30.5	30.0	32.4	33.5	12.5	11.9	12.2	35	0.50	233	6,489	978	7,467

#The "Total Firm Assets" column 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 – 12/31/22. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Large Cap Growth Composite has had a performance examination for the periods 1/1/96 – 12/31/22. 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 Advisers 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 Large Cap Growth Composite was created on January 1, 1993 and the inception date of the composite is January 1, 1985, which reflects the first full month in which an account was fully invested in the strategy and met the inclusion criteria. The composite includes all fully discretionary portfolios with a value over \$100 thousand (US dollars) managed in the large cap growth style for a minimum of one full month. The large cap growth strategy invests in the equity of high-quality companies with market capitalizations greater than \$5 billion exhibiting consistent earnings growth. The strategy may also invest from time to time in equity securities with capitalizations between \$1 billion and \$5 billion. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016, the composite minimum was \$500 thousand (US dollars). Prior to September 1, 2005, the composite did not include taxable accounts, private client accounts, or accounts with less than \$1 million. The primary composite benchmark is the S&P 500 Index. The secondary benchmark is the Russell 1000 Growth Index. 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. A list of composite descriptions, a list of broad distribution pooled funds, and a list of limited distribution pooled fund descriptions are available upon request.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars. 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 1/4th of the highest management fee in the Large Cap Growth Composite, which was 1.00%, applied quarterly. 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. Prior to January 1, 1993, the composite is not in compliance with GIPS.

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 investments, calculating performance, and preparing GIPS Reports 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. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.