CONGRESS ASSET MANAGEMENT COMPANY

1Q 2023

Portfolio Commentary

MID 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.

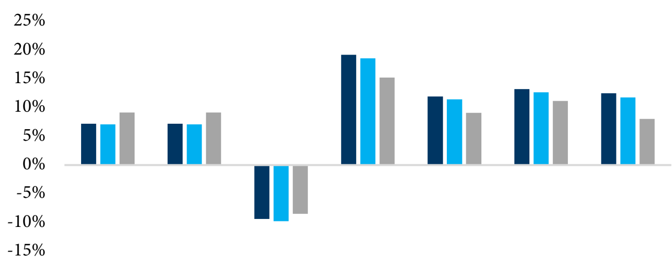
The global economic picture is equally murky. China's pandemic re-opening is gathering steam but is overshadowed in the U. S. by geopolitics and security concerns about Chinese owned social networker Tik Tok. While the continuing Russian invasion of Ukraine looms in the background, Europe has fared far 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 Mid Cap Growth Portfolio ("the Portfolio") returned 7.2% (gross of fees) and 7.1% (net of fees) during the quarter while the Russell Midcap Growth Index ("the Index") returned 9.1%

The Portfolio benefited from security selection in Consumer Discretionary and underweight relative allocations to Energy, Information Technology, and Financials. However, security selection in Financials, Information Technology, and Consumer Staples detracted from performance, as did a slight relative underweight to Communication Services.

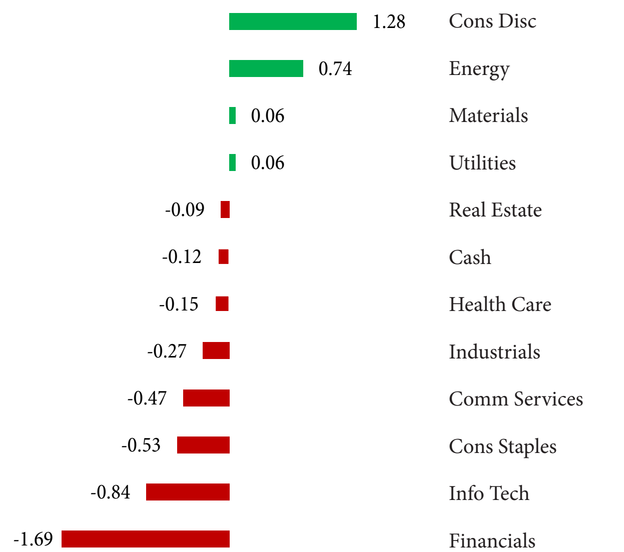
Average Annualized Performance % as of 3/31/2023



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 10/1/1999
Mid Cap Growth Composite (Gross)	7.2	7.2	-9.4	19.2	12.0	13.2	12.5
Mid Cap Growth Composite (Net)	7.1	7.1	-9.8	18.6	11.4	12.7	11.8
Russell Midcap Growth®	9.1	9.1	-8.5	15.2	9.1	11.2	8.0

Performance is preliminary and subject to change at any time.

% Total Effect Portfolio vs. Index[1]
(12/31/2022 - 3/31/2023)



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 GIPS 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. Netiher Russell nor its licensors accept any liablity 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. [1]The 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 Consumer Discretionary
- Underweight allocations to Energy, Information Technology & Financials

Overall Detractors

- Security selection in Financials, Information Technology & Consumer Staples
- Underweight allocation to Communication Services

Top 5 Contributors/Detractors

Stock	Avg. Weight%
West Pharmaceutical Services, Inc.	2.82
Monolithic Power Systems, Inc.	2.77
Floor & Decor Holdings, Inc.	2.62
Skyworks Solutions, Inc.	2.72
Saia, Inc.	2.58

West Pharmaceutical Services, Inc (WST) is a leading manufacturer of containment and delivery systems for injectable drugs and other healthcare products. WST rectified the operational challenges that impacted last quarter's results. Additionally, the company expects its core revenue growth to be well above its long-term growth targets next year.

Monolithic Power Systems, Inc. (MPWR) is a semiconductor company that designs, develops, and markets high-performance power solutions. Despite operating in a difficult semiconductor industry, MPWR's diversified business model is helping to stabilize results. Higher growth verticals such as auto and data center are offsetting weakness in consumer end markets as margins continue to grow and benefit from new higher margin solutions.

Floor & Decor Holdings, Inc. (FND) is a high-growth multi-channel specialty retailer of hard surface flooring and related accessories. FND is beginning to benefit from lower-than-expected freight and distribution costs. The housing market is coming under pressure, but the company's long-term initiatives, such as new store openings, are on track and should help the company gain market share.

Skyworks Solutions, Inc. (SWKS) designs, manufactures, and distributes high-performance analog semiconductor chips that support wired and wireless connectivity. The company indicated that it expects a return to growth in the second half of its fiscal year as the China and Android markets appear to be reaching a bottom. Additionally, SWKS's advanced filters are gaining market share in the new iteration of iPhones.

Saia, Inc. (SAIA) is a freight transportation company with a top ten position in the fragmented market of less-than-truckload shipping. Management sees volume trends improving in the coming quarter and exceeding peers due to SAIA's more favorable end market exposure. The company also continued to expand its network with new facilities reaching profitability targets more quickly than expected.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
First Republic Bank	1.75
Neurocrine Biosciences, Inc.	2.17
Booz Allen Hamilton Holding Corporation	2.33
Raymond James Financial, Inc.	2.29
McCormick & Company, Incorporated	1.46

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 fixed income security market losses emerged. The position was sold during the quarter.

Neurocrine Biosciences, Inc. (NBIX) develops and commercializes drugs that treat neurological and endocrine-related-diseases and disorders. NBIX's outlook for the upcoming year was disappointing as costs for its anticipated launch into Huntington's Disease were greater than expected. Investors were also skeptical of the company's investment in Voyager Therapeutics. However, sales of its Ingrezza drug continue to be strong given the underpenetrated tardive dyskinesia market and the drug's superior efficacy.

Booz Allen Hamilton Holding Corporation (BAH) provides management and technology consulting, analytics, engineering, digital solutions, mission operations, and cyber services to U.S. and international governments, major corporations, and not-for-profit organizations. Bookings for BAH were weak and the company has dealt with increased costs due to wage inflation. However, it raised its outlook for the full year as its U.S. government clients are focusing on cyber defense and aerospace projects.

Raymond James Financial, Inc. (RJF) is a diversified financial services company providing wealth management, asset management, banking, and capital markets solutions to individuals and institutions. RJF's stock price was impacted by the regional bank crisis at the end of the quarter. However, the company received an influx of cash during the crisis as it was viewed as a financially sound institution by depositors.

McCormick & Company, Inc. (MKC) manufactures, markets, and distributes spices, seasoning mixes, and condiments. MKC has been struggling with supply chain issues and exposure to China. Additionally, price increases have not been enough to keep up with inflated costs, leading to reduced margins. The position was sold during the quarter.

1Q 2023 Transaction Summary

Sector Allocation Changes

- Increased allocation to Consumer Discretionary & Industrials
- Decreased allocation to Health Care & Financials

Purchased

- Darden Restaurants, Inc. (DRI) - Consumer Discretionary
- BJ's Wholesale Club Holdings, Inc. (BJ) - Consumer Staples
- WillScot Mobile Mini Holdings Corp. (WSC) - Industrials

Sold

- Horizon Therapeutics Plc (HZNP) - Health Care
- McCormick & Co. (MKC) - Consumer Staples
- First Republic Bank (FRC) - Financials

Purchased

Darden Restaurants, Inc. (DRI) owns and operates full-service dining restaurants such as Olive Garden, LongHorn Steakhouse, Capital Grille, and Yard House, among others. As consumers shift their spending from durable goods to services, DRI is well-positioned to benefit given its focus on value. The company is also effectively leveraging its scale and technology investments to increase efficiency and margins.

BJ's Wholesale Club Holdings, Inc. (BJ) is a membership-only warehouse club chain. The company has executed on its initiative to improve high-margin membership renewal rates and has benefited from the trend of wholesale clubs gaining market share from grocery stores. It has also reduced its debt levels, providing it with flexibility to increase stores at a faster pace.

WillScot Mobile Mini Holdings Corp. (WSC) is a provider of modular and portable storage services. WSC is positioned for consistent growth due to its long-duration portfolio and opportunities to increase the penetration of its value-added products. The company has multiple levers for margin expansion with pricing, insourcing delivery, and installation improvements. Its business model also lends itself to preserving cash flow in downturns as most of its capital expenditure is used for new units and refurbishment, which is naturally pushed off when demand decreases.

Sold

Horizon Therapeutics Plc. (HZNP) develops therapies for orphan diseases, specifically uncontrolled gout and thyroid eye disease. In mid-December, HZNP entered into an agreement to be acquired by Amgen for an enterprise value of $28.3B in cash. The stock is likely to trade near the deal price until the acquisition closes, which is expected to be in the first half of 2023.

McCormick & Co., Inc. (MKC) manufactures, markets, and distributes spices, seasoning mixes, condiments, and other products. MKC has been struggling with supply chain issues and its exposure to China. Additionally, price increases have not been enough to keep up with inflated costs which have led to poor margin performance.

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 Industrials weightings, while reducing its Health Care 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.

Information is as of 3/31/2023

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

Year	Total Return Gross of Fees%	Total Return Net of Fees%	Russell Mid Cap Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell Mid Cap 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 Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2022	-26.7	-27.0	-26.7	23.0	24.5	758	0.81	2,307	10,083	6,799	16,882
2021	30.6	30.0	12.7	18.3	20.2	719	0.41	3,243	12,778	8,018	20,796
2020	32.0	31.4	35.6	19.8	21.5	629	1.14	2,729	10,746	5,523	16,269
2019	35.8	35.2	35.5	12.8	13.9	558	0.49	954	8,445	4,083	12,528
2018	-3.5	-3.9	-4.8	12.2	12.8	506	0.45	850	7,102	3,132	10,234
2017	17.7	17.2	25.3	10.8	10.9	447	0.65	763	7,272	3,274	10,546
2016	13.9	13.3	7.3	12.0	12.2	105	0.54	431	5,693	2,445	8,139
2015	1.9	1.4	-0.2	11.4	11.3	50	0.42	221	5,941	1,153	7,094
2014	13.0	12.4	11.9	10.8	10.9	41	0.51	145	6,328	1,121	7,449
2013	37.9	37.3	35.7	13.2	14.6	35	0.38	84	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 Mid Cap Growth Composite has had a performance examination for the periods 10/1/99 – 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 creation and inception date of the Mid Cap Growth Composite is October 1, 1999, 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 mid cap growth style for a minimum of one full month. The mid cap growth strategy invests in the equity of high-quality companies with market capitalizations between $800 million and $15 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 $500 thousand (US dollars). Prior to September 1, 2005, the composite did not include private client accounts or accounts with less than $1 million. The primary composite benchmark is the Russell Midcap 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. The % of the composite represented by non-fee paying accounts at annual period end was 100% 1999-2001, 36% in 2002, 20% in 2003, 15% in 2004, 13% in 2005, 22% in 2006 and 18% in 2007. 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 Mid 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.

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. The management fee schedule and expense ratio for the Mid Cap Growth Fund Institutional Shares is 0.60% and 0.79%, respectively. The management fee schedule and expense ratio for the Mid Cap Growth Fund Retail Shares is 0.60% and 1.04%, respectively. The management fee schedule for the Mid Cap Growth Collective Investment Trust is 0.68%.

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.