CONGRESS ASSET MANAGEMENT COMPANY

1Q 2023

Portfolio Commentary

SMALL 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.

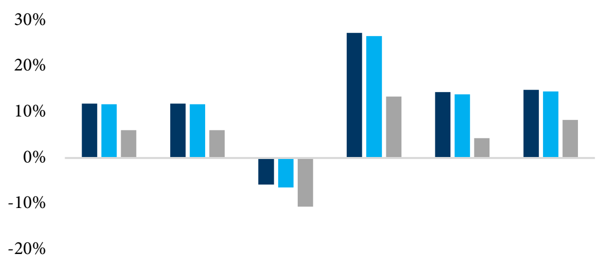
The global economic picture is equally murky. China's pandemic re-opening is gathering steam but is overshadowed in the U. S. by geopolitics and security concerns about Chinese owned social networker Tik Tok. While the continuing Russian invasion of Ukraine looms in the background, Europe has fared far 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 Small Cap Growth Portfolio ("the Portfolio") returned 11.9% (gross of fees) and 11.7% (net of fees) during the quarter, while the Russell 2000 Growth Index ("The Index") returned 6.1%.

The Portfolio benefited from security selection in Health Care, Consumer Discretionary, Industrials, and Consumer Staples. However, security selection in Financials, Materials, and Communication Services detracted from performance. A relative underweight to Communication Services also slightly detracted from performance during the quarter.

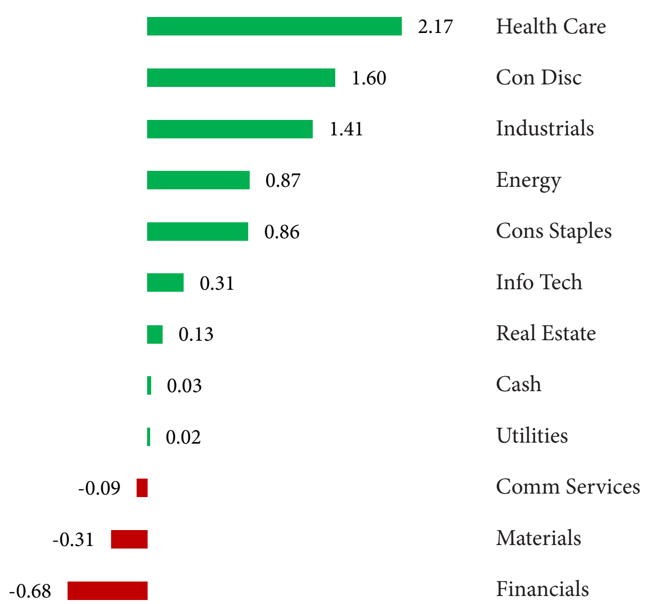
Average Annualized Performance % as of 3/31/2023



		QTD	YTD	1 Yr	3 Yrs	5 Yrs	Inception 7/1/2013
Small Cap Growth Composite (Gross)	■	11.9	11.9	-5.8	27.3	14.4	14.9
Small Cap Growth Composite (Net)	■	11.7	11.7	-6.4	26.6	13.9	14.5
Russell 2000 Growth®	■	6.1	6.1	-10.6	13.4	4.3	8.3

Performance is preliminary and subject to change at any time.

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



1Q 2023 Attribution Highlights

Overall Contributors

- Security selection in Health Care, Consumer Discretionary, Industrials & Consumer Staples

Overall Detractors

- Security selection in Financials, Materials & Communication Services
- Underweight allocation to Communication Services

Top 5 Contributors/Detractors

Stock	Avg. Weight%
Lantheus Holdings Inc	3.46
e.l.f. Beauty, Inc.	3.50
Skyline Champion Corp.	2.84
Comfort Systems USA, Inc.	3.77
Onto Innovation, Inc.	3.20

Lantheus Holdings, Inc. (LNTH) is a leading provider of diagnostic medical imaging solutions focused on cardiac and cancer imaging. Sales growth continues to be driven by rapid market adoption of PYLARIFY, LNTH's prostate cancer diagnostic imaging agent. Management's guidance for 2023 sales and earnings growth of approximately 20% came in well above expectations as PYLARIFY customer adoption progresses.

e.l.f. Beauty, Inc. (ELF) is a leading beauty products company offering high-quality cosmetics at value prices. Quarterly results were better than expected, fueled by rapid market share gains. Management now expects sales to grow nearly 40% this fiscal year as the brand attracts new customers through product innovation, effective marketing, significant traction with national and international retailers, and more recently, consumer trade-down behavior.

Skyline Champion Corp. (SKY) is a leading producer of factory-built housing. While broader housing activity is pressured by higher interest rates, quarterly results provided a view towards persistent growth at SKY driven by the low-cost nature of manufactured homes. Sales grew 9% and orders continue to be resilient with continued growth in customer deposits for new homes and growing orders from communities and builders.

Comfort Systems USA, Inc. (FIX) builds, installs, maintains, repairs, and replaces mechanical, electrical, and plumbing systems throughout the U.S. Quarterly results beat expectations with organic growth above 20%, surprising profitability expansion, and free cash flow generation. Orders again grew by over 20% with strength in industrial and institutional sectors; backlog finished the year up 75%, providing visibility towards continued growth in 2023.

Onto Innovation, Inc. (ONTO) provides semiconductor fabrication equipment, including process control, metrology, and lithography systems and software used by semiconductor wafer and advanced packaging device and manufacturers. The stock outperformed along with the broader semiconductor industry as the market anticipates the cyclical bottoming of chip production.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Ameris Bancorp	2.63
AMN Healthcare Services, Inc.	2.48
Medpace Holdings, Inc.	2.84
MGP Ingredients, Inc.	2.10
American Software, Inc.	1.47

Ameris Bancorp (ABCB) is a regional bank headquartered in Atlanta, GA, with locations in GA, AL, FL, and SC. The stock underperformed as regional banks came under pressure following the failures of Silicon Valley Bank and Signature Bank. While ABCB is not exposed to bond losses or extreme levels of uninsured deposits which led to these failures, these events introduce the risk of higher deposit costs on bank profit margins and growth potential.

AMN Healthcare Services, Inc. (AMN) provides healthcare workforce solutions and staffing services in the United States. Nursing industry shortages continue to support demand for travel nursing, but AMN revenue should decline this year as demand normalizes from last year's pandemic extremes. While results and guidance continue to exceed expectations, management does expect incremental softness in the second quarter as some clients cut costs to hit budget targets.

Medpace Holdings, Inc. (MEDP) is a contract research organization that provides outsourced clinical development services to biotechnology and pharmaceutical companies. Growth in the business remains steady, but management was cautious in its 2023 outlook given customer cancellations above the usual range, poor biotech funding, and the reprioritization of financing.

MGP Ingredients, Inc. (MGPI) produces premium distilled spirits, food ingredients, and branded spirits. After strong stock performance in 2022, MGPI underperformed despite earnings results that were above expectations including double digit sales growth and guidance for continued growth and margin expansion in 2023.

American Software, Inc. (AMSWA) offers software and services solutions for the management of corporate supply chains. Quarterly results were below expectations, impacted by longer sales cycles and holiday timing. New customer contracts are experiencing delays in final approval as well as increased scrutiny given the current economic uncertainty.

Information is as of 3/31/2023. Sources: Congress Asset Management and FactSet Research Systems. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings, sector weightings and securities identified as top contributors and detractors 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. The securities identified do not represent all the securities purchased, sold or recommended to clients. For information regarding the methodology used to select these holdings or to obtain a list showing the contributions of every holding in the strategy's representative account, which we believe reflects the Congress Small Cap Growth's Composite to both a current and/or prospective client, please contact us at 1-800-234-4516. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce investment performance. Past performance does not guarantee future results.

1Q 2023 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Increased allocation to Information Technology & Consumer Staples	Perion Network Ltd. (PERI) - Communication Services	Revolve Group, Inc. (RVLV) - Consumer Discretionary
• Decreased allocation to Consumer Discretionary & Energy	Calix, Inc. (CALX) - Information Technology	TechTarget, Inc. (TTGT) - Communication Services
	Sprouts Farmers Market, Inc. (SFM) - Consumer Staples	Ranger Oil Corporation (ROCC) - Energy

Purchased

Perion Network Ltd. (PERI) provides innovative digital advertising solutions to brands, agencies, and publishers. PERI's proprietary solutions are seeing accelerated customer adoption, enabling persistent above-market growth in a weak advertising market. Additionally, Microsoft's increased emphasis on Artificial Intelligence for Bing should benefit Perion's search business. Double digit revenue growth has delivered strengthening profitability and cash flow, with negligible debt on the balance sheet.

Calix, Inc. (CALX) provides cloud-based software solutions, services, and systems for Broadband Service Providers (BSPs) to simplify and enhance their operational capabilities. CALX is well positioned with smaller BSPs that are accelerating deployment of new broadband access technology, which should improve the growth and revenue mix. Additionally, the shift towards recurring software and services revenues at a higher margin should drive higher earnings growth in the coming years.

Sprouts Farmers Market, Inc. (SFM) is a specialty natural and organic food retailer. The company's new management team has differentiated the customer shopping experience, resulting in increased loyalty and more consistent sales growth. The rollout of a new, more profitable store format, together with secular growth trends in healthy/organic food, should support double-digit unit and earnings growth. Robust cash flow and a strong balance sheet allow both unit growth and the return of cash to shareholders.

Sold

Revolve Group, Inc. (RVLV) is a premium lifestyle brand offering apparel, footwear, accessories, and beauty styles. Sales continue to be negatively impacted by a weak macroeconomic environment and margin pressure has increased due to rising returns, increased promotions, and higher shipping costs.

TechTarget, Inc. (TTGT) offers data-driven marketing services to business-to-business technology vendors. A general workforce reduction across the technology industry resulted in a significant decline in demand for TTGT's solutions. Broad-based weakness from small businesses to large enterprises has introduced increased uncertainty regarding the timing of an improvement in client spending.

Ranger Oil Corporation (ROCC) is an independent oil and gas company engaged in the onshore development and production of crude oil, natural gas liquids, and natural gas. The stock was sold after the company agreed to be acquired by Baytex Energy Corp.

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 Information Technology and Consumer Staples weightings, while reducing its Consumer Discretionary and Energy 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.
Small Cap Growth Composite
7/1/2013 - 12/31/2022

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 2000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2000 Growth 3-Yr annualized ex-post St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	% of composite represented by non fee paying accounts	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	-25.6	-26.1	-26.4	24.1	26.2	322	0.47	537	<1%	10,083	6,799	16,882
2021	41.7	40.9	2.8	20.6	23.1	303	1.24	390	<1%	12,778	8,018	20,796
2020	35.8	35.3	34.6	23.8	25.1	206	1.64	84	<1%	10,746	5,523	16,269
2019	22.9	22.5	28.5	16.9	16.4	128	0.90	41	<1%	8,445	4,083	12,528
2018	2.1	1.7	-9.3	17.4	16.5	103	0.69	30	<1%	7,102	3,132	10,234
2017	22.4	22.0	22.2	14.8	14.6	69	0.62	25	<1%	7,272	3,274	10,546
2016	17.3	16.9	11.3	16.2	16.7	15	n/a	9	1%	5,693	2,445	8,139
2015	3.0	2.8	-1.4	n/a	n/a	≤5	n/a	1	n/a	5,941	1,153	7,094
2014	6.1	5.9	5.6	n/a	n/a	≤5	n/a	0.6	n/a	6,328	1,121	7,449
6/30/13 – 12/31/13	23.0	22.9	22.0	n/a	n/a	≤5	n/a	0.6	n/a	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 Small Cap Growth Composite has had a performance examination for the periods 1/1/18 – 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 Small Cap Growth Composite is July 1, 2013, which reflects the first full month 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 small cap growth style for a minimum of one full month. The small cap growth strategy invests in the equity of high-quality companies with market capitalizations between $300 million and $4 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 $50 thousand (US dollars). The primary composite benchmark is the Russell 2000 Growth Index. 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 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. 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 prior to 2016 because 36-month returns were 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. The management fee schedule and expense ratio for the Small Cap Growth Fund Institutional Shares is 0.85% and 1.00%, respectively. The management fee schedule and expense ratio for the Small Cap Growth Fund Retail Shares is 0.85% and 1.25%, respectively.

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.