CONGRESS ASSET MANAGEMENT COMPANY

1Q 2023

SMID GROWTH PORTFOLIO

Portfolio Commentary

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.

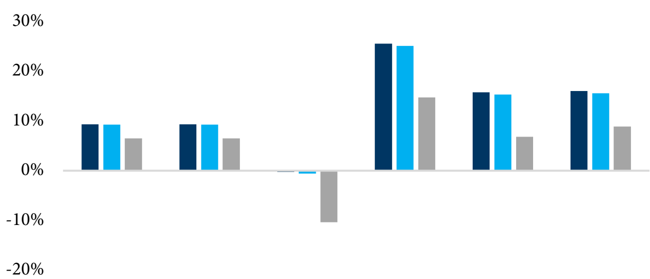
The global economic picture is equally murky. China's pandemic re-opening is gathering steam but is overshadowed in the U. S. by geopolitics and security concerns about Chinese owned social networker Tik Tok. While the continuing Russian invasion of Ukraine looms in the background, Europe has fared far 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 SMid Growth Portfolio ("the Portfolio") returned 9.4% (gross of fees) and 9.3% (net of fees) during the quarter, while the Russell 2500 Growth Index returned 6.5%.

The Portfolio benefited from security selection in Consumer Staples, Communication Services, Financials, and Industrials. However, security selection in Consumer Discretionary and Materials detracted from performance, as did a relative overweight allocation to Health Care.

% Average Annual Returns as of 3/31/2023

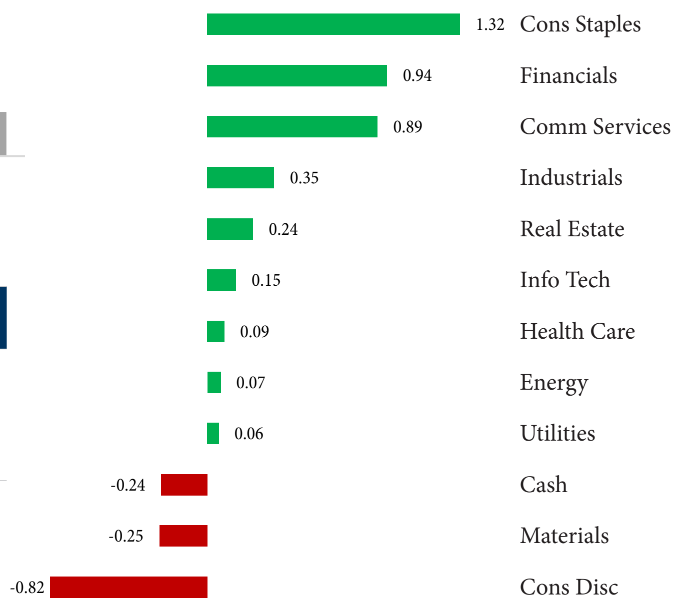


	QTD	YTD	1 Yr	3 Yrs	5Yrs	Inception (4/1/2017)
SMid Growth Composite (Gross)	9.4	9.4	-0.3	25.5	15.8	16.0
SMid Growth Composite (Net)	9.3	9.3	-0.5	25.1	15.4	15.6
Russell 2500 Growth®	6.5	6.5	-10.4	14.7	6.8	8.9

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 Staples, Communication Services, Financials & Industrials

Overall Detractors

- Security selection in Consumer Discretionary & Materials
- Overweight allocation to Health Care

Top 5 Contributors/Detractors

Stock	Avg. Weight%
e.l.f. Beauty, Inc.	3.49
Perion Network Ltd.	2.58
Monolithic Power Systems, Inc.	3.40
MarketAxess Holdings Inc.	2.59
Comfort Systems USA, Inc.	3.07

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.

Perion Network Ltd. (PERI) is a global digital advertising company focused on ad search, social media, and display/video/CTV for both demand and supply side customers. PERI has maintained its growth rates and relative outperformance despite the moderation in broader advertising spending. Its centralized intelligence hub is gaining market share as advertisers look for higher ROI solutions.

Monolithic Power Systems, Inc. (MPWR) is a semiconductor company that designs, develops, and markets high-performance power solutions. Despite operating in a difficult semi-conductor 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. MPWR's margins continue to grow and benefit from new higher margin solutions.

MarketAxess Holdings, Inc. (MKTX) operates an electronic fixed income trading platform with leading market share in US High Grade and High Yield Corporates markets. The market backdrop has turned more favorable with increased interest rate volatility and higher trading volumes in longer duration bonds. Given this environment, MKTX has been successful in taking market share from competitors.

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.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Cactus, Inc.	2.79
Medpace Holdings, Inc.	2.91
Glacier Bancorp, Inc.	1.88
Papa John's International, Inc.	1.91
Horizon Therapeutics Plc.	3.13

Cactus, Inc. (WHD) is a manufacturer of highly engineered wellhead and pressure control equipment used in the U.S. onshore oilfields during the drilling, completion, and production phases. It was another fundamentally sound quarter and the company was able to pick up market share from competitors. Despite the positive momentum in its earnings, WHD's equity valuation compressed meaningfully as oil rig activity in the US has shown signs of moderating.

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.

Glacier Bancorp, Inc. (GBCI) offers a wide range of banking products and services including retail banking, business banking, real estate and commercial loans, and mortgage orientation. GBCI bank deposits began to shrink in its most recent quarter, which forced funding costs higher and pressured earnings. The risk that this headwind continues was exacerbated in early March with the failures of Silicon Valley Bank and Signature Bank.

Papa John's International, Inc. (PZZA) operates and franchises pizza delivery and carryout restaurants centered around its brand promise of "Better Ingredients, Better Pizza." The company expects to deliver same-store-sales growth in 2023 that is slightly below its longer-term target as softening consumer spending extends to pizza delivery. Further, the CFO resigned in late March which follows other recent management departures.

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.

1Q 2023 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• None	• KBR, Inc. (KBR) - Industrials	• Ritchie Bros. Auctioneers, Inc. (RBA) - Industrials

Purchased

KBR, Inc. (KBR) is a professional services company delivering science, technology, and engineering services to government and commercial customers. KBR offers one of the most compelling organic growth rates amongst its government services peers along with highly predictable revenue streams, supported by long-term contracts and troop deployment in Europe. Further, KBR's clean energy technologies business stands to play a key role in the proliferation of carbon capture, liquefied natural gas, recycling, and ammonia gas.

Sold

Ritchie Bros. Auctioneers, Inc. (RBA) provides asset management and disposition solutions for used industrial equipment in the construction and transportation markets. In early November, RBA management announced a transformative $7B merger agreement with salvage vehicle auctioneer, IAA. In our view, the acquisition is a distraction from the company's core thesis and introduced a high level of execution risk that did not justify the synergy opportunities.

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 was one purchase and one sale during the quarter, and they were reflective of this philosophy.

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. SMid Growth Composite 4/1/2017 - 12/31/2022

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 Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2022	-21.5	-21.7	-26.2	22.8	25.2	158	0.51	96	10,083	6,799	16,882
2021	28.4	27.9	5.0	18.5	22.0	98	0.91	79	12,778	8,018	20,796
2020	50.3	49.7	40.5	20.7	23.9	47	0.62	55	10,746	5,523	16,269
2019	28.7	28.2	32.7	n/a	n/a	14	n/a	37	8,445	4,083	12,528
2018	1.3	0.9	-7.5	n/a	n/a	≤5	n/a	27	7,102	3,132	10,234
3/31/17–12/31/17	12.8	12.5	17.1	n/a	n/a	≤5	n/a	35	7,272	3,274	10,546

#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. The verification report(s) is/are available upon request. 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. Verification does not provide assurance on the accuracy of any specific performance report.

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 SMid Growth Composite is April 1, 2017, 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 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 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 for periods prior to 2020 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.

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.