CONGRESS ASSET MANAGEMENT COMPANY

2Q 2023

Portfolio Commentary

DIVIDEND GROWTH PORTFOLIO

Market Review

Our current economic state resembles Goldilocks in her quest for the perfect porridge. For some observers, our economy is too strong and faced with prolonged, elevated inflation. For others, the economy is too weak and stands on the precipice of recession. The villain, for most, is the Federal Reserve Board (FRB), which increased short term interest rates at 10 consecutive FRB meetings, until recently pausing. To be sure, the economy occupies a unique spot where declining inflation is juxtaposed with full employment, complicating the outlook. Historical precedence and current economic markers suggest that the economy continues along its slow growth path with a heightened risk of slowing further in 2024.

Unlike Goldilocks, one never attains a "just right" economy. Pandemic-related distortions continue to influence the economy's path. The consumer, responsible for almost 70% of Gross Domestic Product (GDP), has replaced spending on goods for experiential opportunities. The strong labor market has bolstered the consumer as unemployment remains below 4% and compensation measures stay strong. Excess savings from the pandemic, while down from their highs, are estimated at almost $1.5 trillion dollars and consumer debt burden as a percentage of disposable income is modest.

Continued consumer robustness is key to avoiding a recession. The preponderance of data suggests that spending will support growth, but dark clouds are forming. As strong as the labor market has been, the weekly Continued Unemployment Claims report, an early indicator of economic vitality, is trending higher. Mortgage rates are approaching 7% again, potentially crimping home buyers or purchases of big-ticket items. In addition, banks have begun to tighten lending standards across consumer and commercial loans, which could weigh on growth going forward.

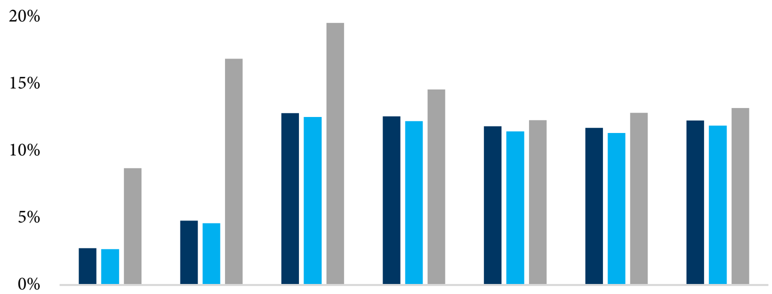
Post pandemic, the developed world is struggling with inflation and higher interest rates. The United Kingdom's inflation rate was running at 8.7% through May. Domestically, inflation has cooled significantly from last year, but the Consumer Price Index (CPI) is still running at a 4% annual rate. With the upper limit of the Federal Funds rate set at 5.25%, the U.S. has an inverted yield curve, usually a precursor to recession. Also, the FRB continues the more arcane practice of shrinking its balance sheet, the second part of its two-pronged fight against inflation. Fed actions work with long and variable lags suggesting that the FRB should cease raising rates for this cycle.

Performance Overview

The Congress Dividend Growth Portfolio ("the Portfolio") returned 2.8% (gross of fees) and 2.7% (net of fees) during the quarter, while the S&P 500 returned 8.7%.

The holdings that contributed most to quarterly performance were Martin Marietta Materials, Inc., Microsoft Corporation, Apple, Inc., Broadridge Financial Solutions, Inc., JPMorgan Chase & Co. The holdings that detracted most from performance were Dollar General Corporation, AbbVie, Inc., Estee Lauder Companies, Inc., NIKE, Inc., and Crown Castle, Inc.

Average Annualized Performance % - as of 6/30/2023



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 10/31/2010
Dividend Growth Composite (Gross)	2.8	4.8	12.9	12.6	11.9	11.8	12.3
Dividend Growth Composite (Net)	2.7	4.6	12.6	12.2	11.5	11.4	11.9
S&P 500	8.7	16.9	19.6	14.6	12.3	12.9	13.2

Performance is Preliminary and subject to change at any time.

Data is as of 6/30/2023. Sources throughout this presentation: Congress Asset Management, FactSet, 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. [1]The information shown is for a representative account as of 6/30/2023. Actual client account holdings and sector allocations may vary.

Second Quarter 2023 Highlights

Top 5 Contributors/Detractors

Stock	Avg. Weight%
Martin Marietta Materials, Inc.	3.24
Microsoft Corporation	3.52
Apple, Inc.	3.38
Broadridge Financial Solutions, Inc.	2.35
JPMorgan Chase & Co.	2.27

Martin Marietta Materials, Inc. (MLM) is a leading supplier of construction materials such as aggregates, cement, ready-mixed concrete, and asphalt. The company is expected to experience a substantial increase in demand in the coming quarters due to historic levels of federal funding from the Infrastructure Investment and Jobs Act, Inflation Reduction Act, and Cornyn-Padilla Amendment. This boost in demand, combined with the current strength in product pricing for aggregates and cement, should provide significant growth opportunities for the company.

Microsoft Corporation (MSFT) is the world's largest software company with products ranging from PC operating systems and enterprise applications to cloud-based offerings. Through its partnership with OpenAI, Microsoft is exploring new avenues across various industries, enabling rapid product development. While Azure's growth slowed down in the recent quarter, Microsoft anticipates reaching the end of workload optimization, indicating potential improvements. The company's commercial business exceeded expectations, and cost containment measures have positioned Microsoft for enhanced profit margins in the future.

Apple, Inc. (AAPL) is the world's largest information technology company. It continues to gain market share in the mobile industry and is consistently expanding its installed product base, which drives growth in its services business. This cycle has established Apple as one of the leading brands worldwide, known for its reliability and stability even during turbulent macroeconomic conditions.

Broadridge Financial Solutions, Inc. (BR) is a leading provider of investor communications and technology-driven solutions for global broker-dealers, banks, mutual funds, and corporate issuers. The company's financial technology, particularly its blockchain-based solution for proxy voting, has been well-received by clients due to its cost-saving benefits. Broadridge's recurring revenues have maintained their strong momentum, prompting management to raise their outlook for the year. BR recently announced that the implementation efforts for a crucial wealth platform customer have regained momentum after facing delays in recent years. Once the project is successfully completed, it is anticipated to improve the company's free cash flow profile.

JPMorgan Chase & Co. (JPM) is a leading global financial services firm serving millions of consumers, small businesses, and many of the world's most prominent corporate, institutional, and government clients. JPM posted results in the quarter that were materially better than expected across many of its core metrics. When the results were announced, management also provided an improved outlook for net interest income, a critical measure of the company's performance. This positive update contributed to an increase in the company's share price, as investors reacted favorably to the news.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Dollar General Corporation	2.30
AbbVie, Inc.	2.60
Estee Lauder Companies, Inc.	1.41
NIKE, Inc.	2.39
Crown Castle, Inc.	1.51

Dollar General Corporation (DG) is one of the largest discount retailers in the U.S., offering a broad selection of merchandise including consumable items, seasonal items, home products, and apparel. DG posted consecutive disappointing quarterly results in which it reduced earnings guidance, as increasing macro pressures on its core lower-income consumer is pressuring sales. At the same time, increasing labor costs and competitive pressures are putting margins at risk. As a result, the position was sold from the Portfolio during the quarter.

AbbVie, Inc. (ABBV) is a research-based biopharmaceutical company engaged in the discovery, development, manufacture, and sale of pharmaceutical products used in immunology, oncology, neuroscience, and virology. The entry of biosimilars into the market, particularly targeting its flagship drug Humira, has resulted in increased pricing uncertainty. This competition has raised concerns among investors. Furthermore, the pricing dynamics surrounding two of AbbVie's growth drug franchises, Rinvoq and Skyrizi, have not met investor expectations, adding to the overall apprehension.

Estee Lauder Companies, Inc. (EL) is a leading global company that manufactures and markets high-quality skincare, makeup, fragrance, and hair care products. The company offers a diverse range of products that are sold under well-known brand names including Estee Lauder, Clinique, La Mer, Aveda, and MAC. EL experienced another quarter of disappointing results due to the slower-than-expected recovery of markets in China and Korea following the impact of COVID-19. This situation compelled management to revise guidance for the year, leading to a significant decline in the company's share price.

NIKE, Inc. (NKE) is the world's leading designer, marketer, and distributor of athletic footwear, apparel, equipment, and accessories for a wide variety of sports and fitness activities. In general, apparel names underperformed in the quarter with increasing concerns about consumer discretionary spending. An increased promotional environment and competitive concerns from some smaller players in the industry only added to NKE's worries.

Crown Castle International Corp. (CCI) is a real estate investment trust and provider of shared communications infrastructure in the U.S. (cell towers and fiber/small cells) via long-term contacts. In the quarter, CCI reported better-than-expected results; however, this outcome was primarily attributed to the timing of specific payments. The actual leasing activity for both its cell towers and small cells did not meet expectations. As a result, there is an increased risk of CCI failing to achieve its yearly guidance, despite management reaffirming it during the quarter.

Information is as of 6/30/2023. 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 Dividend 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. [1]The information shown is for a representative account.

2Q 2023 Transaction Summary

Purchased	Sold
• Oracle Corporation (ORCL) - Information Technology	• Verizon Communications, Inc. (VZ) - Communication Services • Dollar General Corporation (DG) - Consumer Staples

Purchased

Oracle Corporation (ORCL) is one of the largest software companies in the world, offering integrated suites of applications and secure, autonomous infrastructure through the Oracle Cloud. Oracle has been strategically transitioning its offerings to cloud-based products. Notably, its Oracle Cloud Infrastructure offering showed accelerated growth in the recent quarter driven by AI development customers. ORCL also recently increased its dividend by 25%, a level it has consistently reached on a biennial basis for over a decade.

Sold

Verizon Communications, Inc. (VZ) is a multinational telecommunications conglomerate. VZ's struggles continued in the most recent quarter as increasing competition from legacy operators and new entrants into its markets have resulted in lower-than-expected new customer adds for the carrier. VZ has recently brought in new leadership and launched new offerings to address the situation, but its ability to return to subscriber growth is uncertain.

Dollar General Corporation (DG) is one of the largest discount retailers in the U.S., offering a broad selection of merchandise including consumable items, seasonal items, home products, and apparel. DG posted consecutive disappointing quarterly results in which it reduced earnings guidance, as increasing macro pressures on its core lower-income consumer is pressuring sales. At the same time, increasing labor costs and competitive pressures are putting margins at risk.

Outlook

The stock market, as measured by the S&P 500 has returned close to 15% this year, belying economic concerns, the failure of three influential regional banks, and the debt ceiling histrionics. Generative artificial intelligence (AI) captured investors' attention in the second quarter, benefiting a small group of technology companies in advance of any real earnings impact. AI has the potential to be a generational change in how companies and organizations use technology which should create numerous investment opportunities. Large capitalization stocks such as Apple, Microsoft, and Nvidia have carried the load this year, accounting for most of the year-to-date returns, but some of the initial exuberance may be overdone. We anticipate this will change as smaller companies and those in other industries will benefit from supply chain improvements and moderating inflation.

Current bond yields remain attractive for more conservative investors given the substantial increase over the past year and with real yields now positive. Enticing returns for ultra-short fixed income investments have led investors to money market funds, with balances now exceeding $5 trillion. An overreliance on short-term instruments, however, may introduce re-investment risk or limit the opportunity for capital appreciation in the future.

The rise in stock market indices has increased valuations. We anticipate earnings will grow next year to support stocks, but volatility will likely increase as index leadership broadens. Stock returns in the second half of the year are unlikely to match the first. We believe our focus on high-quality companies with demonstrated profitability and growth will continue to benefit our portfolios given the uncertainty ahead.

Congress Asset Management Co. Dividend 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)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P 500 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	-9.3	-9.5	-18.11	19.4	20.9	558	1.18	287	10,083	6,799	16,882
2021	26.2	25.7	28.7	16.2	17.2	493	0.56	300	12,778	8,018	20,796
2020	13.9	13.5	18.4	16.8	18.5	495	0.97	326	10,746	5,523	16,269
2019	33.7	33.2	31.5	11.1	11.9	394	0.86	205	8,445	4,083	12,528
2018	-0.9	-1.2	-4.4	10.3	10.8	359	0.36	161	7,102	3,132	10,234
2017	19.7	19.3	21.8	9.7	9.9	321	0.64	157	7,272	3,274	10,546
2016	13.6	13.2	12.0	10.1	10.6	254	0.46	119	5,693	2,445	8,139
2015	-2.8	-3.2	1.4	10.3	10.5	174	0.38	81	5,941	1,153	7,094
2014	11.6	11.2	13.7	8.6	9.0	111	0.29	65	6,328	1,121	7,449
2013	29.3	28.8	32.4	10.7	11.9	60	0.39	44	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. 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 Dividend Growth Composite is November 1, 2010, 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 dividend growth style for a minimum of one full month. The dividend growth strategy invests in the equity of high-quality companies with market capitalizations greater than $1 billion exhibiting consistent dividend 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 S&P 500 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. 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 2011 and 2012 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.