CONGRESS ASSET MANAGEMENT COMPANY

2Q 2023

Portfolio Commentary

LARGE CAP GROWTH

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.

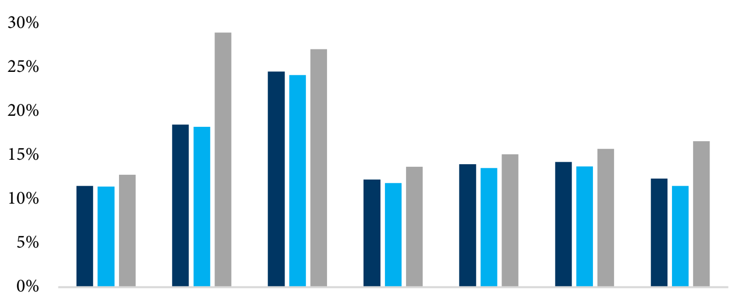
Post pandemic, the developed world is struggling with inflation and higher interest rates. The United Kingdom's inflation rate was running at 8.7% through May. Domestically, inflation has cooled significantly from last year, but the Consumer Price Index (CPI) is still running at a 4% annual rate. With 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 Large Cap Growth Portfolio ("The Portfolio") returned 11.6% (gross of fees) and 11.5% (net of fees) during the quarter, while the Russell 1000 Growth Index ("The Index") returned 12.8%.

The Portfolio benefited from security selection in Health Care and Industrials, in addtion to underweight allocations to Real Estate and Financials. However, security selection in and an underweight allocation to Information Technology detracted from performance, as did overweight allocations to Consumer Staples and Energy.

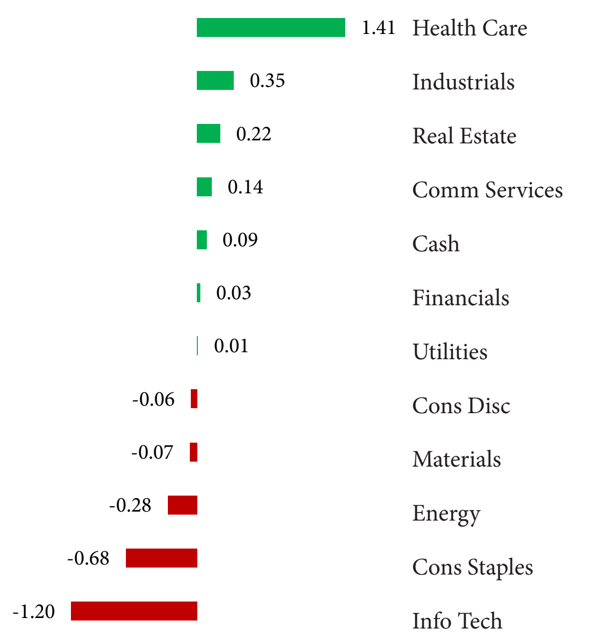
Average Annualized Performance % as of 6/30/2023



		QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 1/1/1985
Large Cap Growth Composite (Gross)	■	11.6	18.5	24.5	12.3	14.0	14.3	12.4
Large Cap Growth Composite (Net)	■	11.5	18.3	24.2	11.9	13.6	13.8	11.5
Russell 1000 Growth©	■	12.8	29.0	27.1	13.7	15.1	15.7	11.6

Performance is preliminary and subject to change at any time.

% Total Effect Portfolio[1] vs. Index
(3/31/2023- 6/30/2023)



2Q 2023 Attribution Highlights

Overall Contributors

- Security selection in Health Care & Industrials
- Underweight allocations to Real Estate & Financials

Overall Detractors

- Underweight allocation to Information Technology
- Overweight allocations to Consumer Staples & Energy
- Security selection in Information Technology

Top 5 Contributors/Detractors

Stock	Avg. Weight%
NVIDIA Corporation	3.98
Eli Lilly and Company	3.29
Apple, Inc.	5.15
Microsoft Corporation	4.08
Intuitive Surgical, Inc.	2.34

NVIDIA Corp. (NVDA) pioneered accelerated computing to tackle complex computational problems. NVDA is seeing unprecedented demand for its Graphics Processing Units (GPUs) for generative artificial intelligence (AI) applications. The company's GPUs and software combine for the most versatile and lowest total cost of ownership for running and training generative AI models.

Eli Lilly and Company (LLY) develops and sells pharmaceutical products and its portfolio includes medications for treating diabetes, oncology, immunology, and neuroscience. Quarterly results exceeded expectations, driven by the continued successful product launch of Mounjaro, an injectable prescription medicine designed to enhance blood sugar control in adults with type 2 diabetes. The company also raised its sales and earnings per share (EPS) guidance for the full year.

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 AAPL as one of the leading brands worldwide, known for its reliability and stability even during turbulent macroeconomic conditions.

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 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.

Intuitive Surgical, Inc. (ISRG) is a global technology leader in minimally invasive care and the inventor of robotic-assisted surgery. ISRG reported impressive first quarter results marked by improvements in both procedure growth and new product placements. Management is confident in continued future improvement and raised their fiscal year procedure growth guidance.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Estee Lauder Companies, Inc.	1.83
Ciena Corporation	1.14
Dover Corporation	1.06
Freeport-McMoRan, Inc.	1.93
CME Group, Inc.	1.37

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 South 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.

Ciena Corporation (CIEN) is a global supplier of telecommunications networking equipment, software, and services. The company has faced ongoing challenges as the substantial backlog that has accumulated over the past few years has not translated into revenues as quickly as anticipated by investors. Additionally, management has struggled with accurately forecasting the company's future performance, as evidenced by their recent downward revision of guidance, despite an otherwise supportive business environment. The position was sold from the Portfolio during the quarter.

Dover Corporation (DOV) is a globally diversified manufacturer that offers a range of innovative equipment and components, specialty systems, consumable supplies, software and digital solutions, and support services. DOV's ability to achieve sustainable growth is uncertain due to the normalization of order rates as supply chain issues gradually improve. There are also concerns about the company's exposure to potential destocking within the biopharma sector, which could result in decreased demand for its products. The position was sold from the Portfolio during the quarter.

Freeport-McMoRan, Inc. (FCX) is one of the world's largest producers of copper and a major producer of gold and molybdenum. The company's stock price is highly correlated with copper, which declined in the quarter in response to slowing global economic growth, particularly in China.

CME Group Inc., (CME) is a leading provider of electronic trading services, offering a wide array of global benchmark products across major asset classes, including futures and options. CME experienced a decline in open interest across its product offerings compared to the previous year due to a decrease in interest rate open interest, particularly in June. This decrease was influenced by growing confidence in the Federal Reserve's path for rate hikes and reduced rate volatility. Lower open interest typically indicates a potential decrease in trading volumes in the upcoming months, which can have a negative impact on the company's earnings per share (EPS) growth.

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 contribution of every holding in the strategy's composite account, which we believe is most representative 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.

2Q 2023 Transaction Summary

Sector Allocation Changes

- Increase in Materials & Financials
- Decrease in Industrials & Information Technology

Purchased

- Martin Marietta Materials, Inc. (MLM) - Materials
- Moody's Corporation (MCO) - Financials

Sold

- Dover Corporation (DOV) - Industrials
- Ciena Corporation (CIEN) - Information Technology

Purchased

Martin Marietta Materials, Inc. (MLM) is a major producer of aggregates and heavy building materials in the United States, with over 300 quarries, mines, and distribution yards in operation. The company is benefiting from historically strong pricing power across all its product lines. Moreover, while cost inflation has been a concern, there are indications that it is beginning to subside, which is expected to lead to margin expansion. MLM is also well-positioned to capitalize on tailwinds generated by increased federal government spending, driven by initiatives such as the Infrastructure Investment and Jobs Act, CHIPS Act, and Inflation Reduction Act scheduled for later this year.

Moody's Corporation (MCO) offers credit ratings, capital markets and economic research, data analytics, and financial intelligence products. The company operates within a sector characterized by significant barriers to entry. MCO has successfully restructured its credit business to take advantage of the growing issuance volumes. Additionally, it has expanded its analytics business, which provides a steady stream of recurring revenue. MCO has observed increased product usage during the recent banking turmoil, and it has long-term opportunities for expansion in markets outside the United States.

Sold

Dover Corporation (DOV) is a globally diversified manufacturer that offers a range of innovative equipment and components, specialty systems, consumable supplies, software and digital solutions, and support services. DOV's ability to achieve sustainable growth is uncertain due to the normalization of order rates as supply chain issues gradually improve. There are also concerns about the company's exposure to potential destocking within the biopharma sector, which could result in decreased demand for its products.

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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 two purchases and two sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Materials and Financials weightings, while reducing its Industrials and Information Technology weightings.

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.

Information is as of 6/30/2023

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 Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ milions)	Total Firm Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ 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.