CONGRESS ASSET MANAGEMENT COMPANY

Portfolio Commentary

2Q 2023

MID 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.

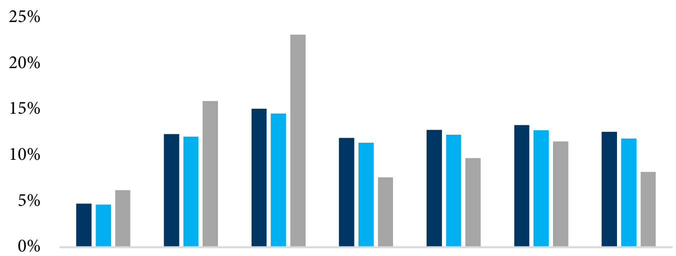
Post pandemic, the developed world is struggling with inflation and higher interest rates. The United Kingdom's inflation rate was running at 8.7% through May. Domestically, inflation has cooled significantly from last year, but the Consumer Price Index (CPI) is still running at a 4% annual rate. With 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 Mid Cap Growth Portfolio ("the Portfolio") returned 4.8% (gross of fees) and 4.6% (net of fees) during the quarter while the Russell Midcap Growth Index ("the Index") returned 6.2%.

The Portfolio benefited from security selection in Health Care, Communication Services, and Industrials. An underweight allocation to Energy also aided performance for the Portfolio. However, security selection in Information Technology, Consumer Discretionary, and Real Estate detracted from performance, as did an overweight allocation to Health Care.

Average Annualized Performance % as of 6/30/2023

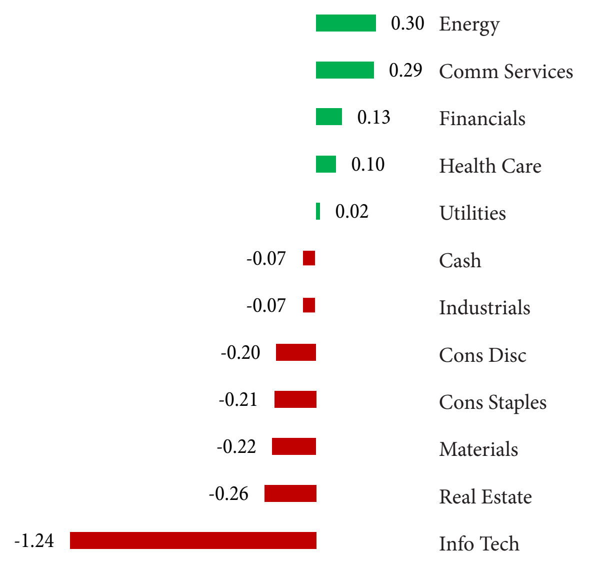


	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 10/1/1999
Mid Cap Growth Composite (Gross)	4.8	12.3	15.1	11.9	12.8	13.3	12.6
Mid Cap Growth Composite (Net)	4.6	12.0	14.6	11.4	12.3	12.8	11.9
Russell Midcap Growth®	6.2	15.9	23.1	7.6	9.7	11.5	8.2

Performance is preliminary and subject to change at any time.

% Total Effect Portfolio vs. Index[1]

(3/31/2023 - 6/30/2023)



Data is as of 6/30/2023. 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 6/30/2023. Actual client account holdings and sector allocations may vary.

2Q 2023 Attribution Highlights

Overall Contributors

- Security Selection in Health Care, Communication Services & Industrials
- Underweight allocation to Energy

Overall Detractors

- Security Selection in Information Technology, Consumer Discretionary & Real Estate
- Overweight allocation to Health Care

Top 5 Contributors/Detractors

Stock	Avg. Weight%
Entegris, Inc.	2.74
SPS Commerce, Inc.	2.84
Copart, Inc.	2.93
Saia, Inc.	2.27
Booz Allen Hamilton Holding Corporation	2.52

Entegris, Inc. (ENTG) develops, manufactures, and supplies micro-contamination control products, specialty chemicals, and advanced materials handling solutions for use in semiconductor and other high-tech manufacturing processes. The company is growing its market share, primarily due to its expanding range of products. Additional capacity should benefit ENTG as semiconductor chip production is expected to rebound in the latter half of the year. Furthermore, ENTG's focus on cost control and debt reduction should further bolster its earnings in the upcoming quarters.

SPS Commerce, Inc. (SPSC) offers online software solutions for supply chain management to retailers, suppliers, and logistics customers. The company has benefited from retailers' adoption of an omni-channel approach. SPSC is also increasing its market share by providing products that enable retailers to operate with greater efficiency, allowing SPSC to capture a larger portion of clients' business.

Copart, Inc. (CPRT) offers online and in-person vehicle auctions, remarketing services, and Internet auction-style sales technology. The main sellers of vehicles on its platform are insurance companies, which sell to vehicle dismantlers, rebuilders, repair licensees, and used vehicle dealers. CPRT is benefiting from the stabilization of used and new vehicle prices, which encourages insurance companies to declare more cars as totaled, increasing the volume of vehicles in its Services line and leading to a positive shift toward these higher-margin sales.

Saia, Inc. (SAIA) is a freight transportation company that holds a top ten position in the fragmented less-than-truckload (LTL) shipping market. LTL shipping is considered a higher-quality segment of the trucking industry and is expected to benefit from prevailing market conditions. SAIA successfully implemented cost controls by reducing its reliance on outsourced transportation in response to lower volumes. Compared to its competitors, SAIA has maintained better pricing by taking on heavier shipments, which increases the revenue per shipment. Additionally, the company is also making progress in achieving its goals for terminal expansion, which should support revenue growth and margin expansion in the upcoming years.

Booz Allen Hamilton Holding Corporation (BAH) provides management and technology consulting, analytics, engineering, digital solutions, mission operations, and cyber services to both U.S. and international governments, major corporations, and not-for-profit organizations. The current labor market conditions, characterized by a decrease in job competition, have facilitated BAH's ability to maintain a robust hiring rate and minimize employee turnover. This expansion in headcount has resulted in improved conversion of its backlog into revenue. The recent resolution of the debt ceiling issue has also alleviated concerns about potential delays in government bookings due to funding uncertainty.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Ulta Beauty, Inc.	2.72
Ciena Corporation	1.98
BJ's Wholesale Club Holdings, Inc.	1.92
Mettler-Toledo International, Inc.	2.22
Teledyne Technologies, Inc.	2.44

Ulta Beauty, Inc. (ULTA) is a beauty retailer offering a wide range of products including makeup, skincare, and fragrances. Organized retail theft and heightened promotional activity in the industry negatively impacted margins in the quarter. However, ULTA continues to experience healthy growth in comparable store sales as foot traffic to its locations remains consistently strong. ULTA is also effectively utilizing its loyalty program and in-store services to drive customer traffic and engagement.

Ciena Corporation (CIEN) is a global provider of telecommunications networking equipment, software, and services. Although the company has experienced robust revenue growth due to improvements in the supply chain, it experienced a decline in backlog and orders during the quarter as its customers postponed placing orders. This situation created uncertainty regarding the actual end market demand, and there are concerns that industry capital expenditures may be further delayed due to the overall macroeconomic environment.

BJ's Wholesale Club Holdings, Inc. (BJ) operates a membership-only warehouse club chain. The company faced challenges in the most recent quarter due to external factors in the macro environment, such as moderating inflation and increased promotional activities. However, BJ's core initiatives, aimed at enhancing merchandising, boosting digital sales, and improving credit card conversion rates, are all showing positive progress. The company's sales of owned brands are also surpassing expectations as consumers seek more affordable options.

Mettler-Toledo International, Inc. (MTD) is a multinational manufacturer of scales and precision analytical instruments used in various applications including laboratories, life sciences, industrial settings, and food retailing. The company anticipates a deceleration in growth in the upcoming quarter due to inventory destocking in its pipettes business, as well as some areas of weakness in the industrial and packaged food sectors. However, MTD has a solid track record of achieving efficiency gains that have consistently contributed to its profitability growth.

Teledyne Technologies, Inc. (TDY) specializes in electronic and communication products for wireless and satellite systems. Earnings guidance, which suggested a weaker-than-expected second half of the year, weighed on results. Management also expressed caution regarding some of their shorter cycle businesses, particularly Test and Measurement. However, the company boasts broad diversification in terms of both end markets and geographical presence. Additionally, TDY's longer cycle businesses, such as Aerospace and Defense, Medical, and Marine, continue to perform well and provide stability to the company's overall results.

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 Health Care, Financials & Energy
- Decrease in Information Technology & Consumer Discretionary

Purchased

- Bruker Corporation (BRKR) - Health Care
- Hologic, Inc. (HOLX) - Health Care
- Perficient, Inc. (PRFT) - Information Technology
- FactSet Research Systems, Inc. (FDS) - Financials
- Crane Company (CR) - Industrials
- ChampionX Corporation (CHX) - Energy

Sold

- Masco Corporation (MAS) - Industrials
- Trimble, Inc. (TRMB) - Information Technology
- Akamai Technologies, Inc. (AKAM) - Information Technology
- Neurocrine Biosciences, Inc. (NBIX) - Health Care
- Skyworks Solutions, Inc. (SWKS) - Information Technology
- Williams-Sonoma, Inc. (WSM) - Consumer Discretionary

Purchased

Bruker Corporation (BRKR) develops, manufactures, and distributes high-performance scientific instruments and analytical and diagnostic solutions. The company has diversified end markets, products, and geographic exposure and operates in a healthy competitive environment. Its Project Accelerate initiative aligns the company with higher growth end-markets with better profitability such as proteomics and spatial biology.

Hologic, Inc. (HOLX) develops, manufactures, and supplies premium diagnostics products, medical imaging systems, and surgical products focused on women's health, specifically through early detection and treatment. HOLX was able to place its Panther diagnostic system with new customers during the pandemic, allowing it to gain share with its expanded test menu. The company's Surgical and Breast Health divisions are also benefiting from a rebound in healthcare procedures and easing semiconductor shortages.

Perficient, Inc. (PRFT) is an IT services firm specializing in the digital transformation of business operations and processes. PRFT is benefiting from increasing cloud adoption and investment in digital transformation by its clients, resulting in multi-year growth opportunities. Notably, the company enjoys higher bill rates and stronger pricing power compared to its competitors, underscoring the significance of its offering. Furthermore, Perficient plans to improve its profit margins by shifting its delivery operations offshore.

FactSet Research Systems, Inc. (FDS) is a global financial data and analytics provider. The company's platform offers a wide range of data and software, empowering clients to make faster and more cost-effective decisions. FDS stands out for its open architecture, which enables smooth integration into clients' existing infrastructure. This integration capability allows the company to expand into new client workflows and contributes to high revenue retention. FDS has established a significant presence in buy-side finance firms and is actively striving to extend its market reach by targeting the sell-side sector.

Crane Company (CR) is a diversified manufacturer of highly engineered industrial products that serve a range of markets. Following its spin-off from Crane Holdings, the company gained increased flexibility to execute its core industrial and aerospace strategies. CR is prioritizing higher growth end markets within its Process Flow Technology division, focusing on areas such as chemical and wastewater solutions. The Aerospace and Defense segment is also well-positioned to capitalize on growth opportunities arising from the Boeing and Airbus platforms.

ChampionX Corporation (CHX) is a global leader in providing chemistry solutions, highly engineered equipment, and advanced technologies to support safe, efficient, and sustainable oil and gas drilling and production operations worldwide. As one of the largest pure-play production services companies globally, CHX primarily generates its revenues from production-related activities, which are typically less cyclical compared to exploration activities. Given the general aging infrastructure of wells, there is a growing demand for CHX's chemicals and products, which play a vital role in facilitating more efficient extraction processes.

Sold

Masco Corporation (MAS) is a global leader in the design, manufacture, and distribution of branded home improvement and building products. The company foresees weak volumes across its business in 2023 due to ongoing challenges in the housing market. Persistent inflationary pressures have also impacted profitability. Despite implementing pricing measures, MAS has been unable to fully offset these effects.

Trimble, Inc. (TRMB) offers a cloud-based construction management technology platform that improves productivity, efficiency, and accuracy at every stage of construction projects. However, the company faces challenges given elevated inventory levels at dealers, which are negatively impacting revenues and creating uncertainty in accurately assessing demand. TRMB's investments in its software business have also hurt margins, and it remains uncertain when these profitability challenges will be resolved.

Akamai Technologies, Inc. (AKAM) is a leading provider of content delivery network (CDN) services, specializing in media and software delivery as well as cloud security solutions. The company's core CDN business experienced declines in revenue primarily due to limited pricing power. While AKAM is actively investing in its cloud business to enhance its offerings, these investments may potentially place the company at a structural disadvantage compared to more established firms like Amazon Web Services (AWS), Microsoft Azure, and Google Cloud.

Neurocrine Biosciences, Inc. (NBIX) specializes in the development and commercialization of drugs for the treatment of neurological and endocrine-related diseases and disorders. The company's primary product, Ingrezza, has exhibited strong performance and continues to grow significantly. However, the growing number of potential generic competitors poses a risk to the sustainability of this growth. While NBIX has several late-stage pipeline readouts scheduled for the end of the year, the outcomes of these trials are uncertain.

Information is as of 6/30/2023

Skyworks Solutions, Inc. (SWKS) designs, manufactures, and distributes high-performance analog semiconductor chips that support wired and wireless connectivity. SWKS is currently facing challenges given high inventory levels in the consumer end-market, which has proven to be more cyclical than expected. This underutilization has negatively impacted profit margins, and the timing of the anticipated correction remains unclear.

Williams-Sonoma, Inc. (WSM) is a consumer retailer that specializes in selling home and kitchenware products through its online platform and brick-and-mortar stores. The demand environment for WSM's products continues to worsen as consumers are scaling back on significant home purchases. WSM is also no longer benefiting from a backlog that could support sales.

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 six purchases and six sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Health Care, Financials, and Energy weightings, while reducing its Information Technology and Consumer Discretionary 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.
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.