CONGRESS ASSET MANAGEMENT COMPANY

2Q 2023

Portfolio Commentary

SMALL 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.

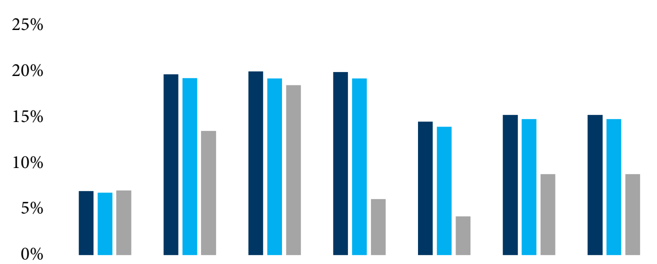
Post pandemic, the developed world is struggling with inflation and higher interest rates. The United Kingdom’s inflation rate was running at 8.7% through May. Domestically, inflation has cooled significantly from last year, but the Consumer Price Index (CPI) is still running at a 4% annual rate. With 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 Small Cap Growth Portfolio (“the Portfolio”) returned 7.0% (gross of fees) and 6.8% (net of fees) during the quarter, while the Russell 2000 Growth Index (“The Index”) returned 7.1%.

The Portfolio benefited from security selection in Consumer Staples, Information Technology, and Health Care, as well as a lack of exposure to Utilities. However, security selection in Communication Services, Consumer Discretionary, and Industrials detracted from performance, as did an underweight allocation to Health Care.

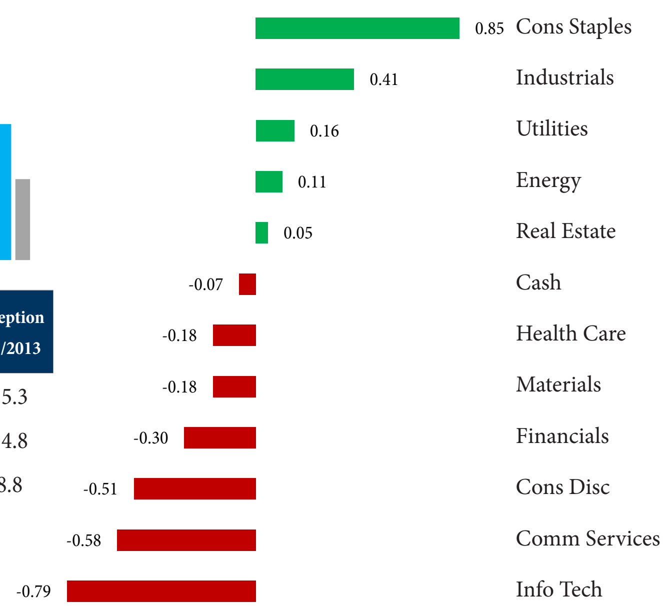
Average Annualized Performance % as of 6/30/2023



		QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 7/1/2013
Small Cap Growth Composite (Gross)	■	7.0	19.7	20.0	19.9	14.6	15.3	15.3
Small Cap Growth Composite (Net)	■	6.8	19.3	19.3	19.3	14.0	14.8	14.8
Russell 2000 Growth®	■	7.1	13.6	18.5	6.1	4.2	8.8	8.8

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

- Consumer Staples, Information Technology & Health Care
- Underweight allocation to Utilities

Overall Detractors

- Communication Services, Consumer Discretionary & Industrials
- Underweight allocation to Health Care

Top 5 Contributors/Detractors

Stock	Avg. Weight%
e.l.f. Beauty, Inc.	4.58
Onto Innovation, Inc.	3.46
Medpace Holdings, Inc.	2.73
AMN Healthcare Services, Inc.	2.38
CONMED Corporation	2.09

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 and accelerating market share gains. Management's guidance for the coming year anticipates sales growth of more than 20%, well ahead of expectations as the brand attracts new customers through product innovation, effective marketing, significant traction with national and international retailers, and consumer trade-down behavior.

Onto Innovation, Inc. (ONTO) provides semiconductor fabrication equipment, including process control, metrology, and lithography systems and software used by semiconductor wafer and advanced packaging devices and manufacturers. The stock outperformed along with the semiconductor capital equipment industry in anticipation of the cyclical bottoming of equipment demand. The growth of AI is also an emerging driver of demand for advanced semiconductors.

Medpace Holdings, Inc. (MEDP) is a contract research organization that provides outsourced clinical development services to biotechnology and pharmaceutical companies. In the context of cautious industry commentary and results, MEDP delivered resilient growth in quarterly revenue and new business awards of 30+%. Full year guidance was raised as management saw improvement in prior areas of caution around customer cancellations and biotech funding challenges.

AMN Healthcare Services, Inc. (AMN) provides healthcare workforce solutions and staffing services in the US. While AMN's revenue should decline this year as demand normalizes from last year's pandemic extremes, quarterly results offered some indication that travel nursing demand is improving and could normalize at levels still much higher than pre-pandemic. Staffing activity and profitability are supported by ongoing nursing industry shortages.

CONMED Corporation (CNMD) provides surgical devices and equipment for minimally invasive procedures, primarily orthopedic and general surgeries. Quarterly results saw revenue accelerate on the resolution of the prior quarter's distribution, strengthening procedure growth, and improving labor and supply chain challenges. Full year guidance was raised above market expectations.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Avid Technology, Inc.	1.20
WNS (Holdings) Ltd.	2.38
Perion Network Ltd.	2.22
Supernus Pharmaceuticals, Inc.	2.84
American Vanguard Corp.	1.34

Avid Technology, Inc. (AVID) is a leading developer of software and solutions for video and audio content creation and management by media companies and creative professionals. The company's transition towards subscription-based services continues to impress, but its hardware sales have experienced persistent supply chain issues. The company also restated prior results due to a weakness in internal controls. The stock was sold from the Portfolio given the company's sluggish fundamentals and earnings quality deterioration.

WNS (Holdings) Ltd. (WNS) is a leading Business Process Management (BPM) company combining industry knowledge with technology, analytics, and process expertise to create digitally led transformational solutions for clients in various industries. Speculation around the long-term impacts of generative AI, including fears that BPM firms could lose work to in-house AI-based solutions, weighed on WNS. However, generative AI could also be a benefit, enhancing the efficiency of BPM solutions.

Perion Network Ltd. (PERI) provides innovative digital advertising solutions to brands, agencies, and publishers. First quarter results showed continued above-market growth in a weak advertising market, but growth experienced some deceleration. Also, while its Microsoft Bing partnership is seeing a jump in volumes following the launch of ChatGPT, the associated revenue growth was not commensurate in 1Q due to the seasonality of search pricing.

Supernus Pharmaceuticals, Inc. (SUPN) is a specialty pharmaceuticals company, one of the few companies with an established drug portfolio specifically for Central Nervous System disorders such as epilepsy, migraines, and ADHD. Earnings beat estimates and guidance was reiterated but the stock underperformed after the company announced its third largest drug will see competition from a generic drug in September 2024, two years earlier than previously expected.

American Vanguard Corp. (AVD) manufactures agricultural products primarily for crop protection and management. Earnings results have been disappointing, driven by a decline in US crop sales as a China-based supplier was unable to deliver one of their leading products. The stock was removed from the Portfolio given the company's execution issues in the last two quarters and an outlook still reliant on the recovery of this disrupted product line.

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 Small Cap Growth's Composite to both a current and/or prospective client, please contact us at 1-800-234-4516. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce investment performance. Past performance does not guarantee future results.

2Q 2023 Transaction Summary

Sector Allocation Changes

- Increase in Health Care & Consumer Discretionary
- Decrease in Information Technology & Materials

Purchased

- InMode Ltd. (INMD) - Health Care
- Sterling Infrastructure, Inc. (STRL) - Industrials
- LeMaitre Vascular, Inc. (LMAT) - Health Care
- Chuy's Holdings, Inc. (CHUY) - Consumer Discretionary

Sold

- Avid Technology, Inc. (AVID) - Information Technology
- American Software, Inc. (AMSWA) - Information Technology
- Simpson Manufacturing Co., Inc. (SSD) - Industrials
- American Vanguard Corp. (AVD) - Materials

Purchased

InMode, Ltd. (INMD) is a leading global medical aesthetics company; its devices enable minimally invasive procedures using radio frequency technology. The advantages of INMD's minimally invasive technology over traditional surgery and non-invasive techniques have supported consistent high double digit revenue growth, now supplemented by the launch of systems in new treatment areas of women's health and ophthalmology. The company's industry-leading profitability delivers robust cash flow and a debt free balance sheet.

Sterling Infrastructure, Inc. (STRL) is an industry leader in construction solutions in the US, specializing in large scale site development services for its E-infrastructure, Transportation, and Building end markets. STRL's growth has accelerated from the increasing need for data center capacity, warehousing, infrastructure investment, and the near-shoring of advanced manufacturing. Its leading profitability and robust cash flow profile result from STRL's scale advantage and a re-orientation towards secular growth markets.

LeMaitre Vascular, Inc. (LMAT) is a leading provider of medical devices used by vascular surgeons. Double digit historical growth and robust profitability are supported by LMAT's market share in niche products that are either consumable or single-use in steady growth markets. Its free cash flow allows LMAT to grow through M&A and increase its dividend, all with a debt free balance sheet. Product development and marketing investments, pricing power, and growing hospital procedure volumes offer opportunities for accelerated growth ahead.

Chuy's Holdings, Inc. (CHUY) is a full-service restaurant chain offering fresh, authentic Mexican and Tex-Mex cuisine primarily in the US Southeast. Its restaurants deliver industry leading profitability despite offering leading value to its customers. CHUY's high restaurant unit economics allow for category leading restaurant expansion while still generating free cash flow, a debt free balance sheet, and cash returns to shareholders.

Sold

Avid Technology, Inc. (AVID) is a leading developer of software and solutions for video and audio content creation and management by media companies and creative professionals. The company's transition towards subscription based services continues to impress, but hardware sales have experienced persistent supply chain issues. The company also restated prior results due to a weakness in internal controls. The stock was sold from the Portfolio given the company's sluggish fundamentals and earnings quality deterioration.

American Software, Inc. (AMSWA) offers software and services solutions for the management of corporate supply chains. Quarterly results continue to be impacted by longer sales cycles as new customer contracts experience delays in approval and increased scrutiny given the current economic uncertainty. As the challenges confronting AMSWA's retail customer base are likely to be prolonged, the stock was removed from the Portfolio.

Simpson Manufacturing Co., Inc. (SSD) is a market leading manufacturer of engineered fasteners and connectors for wood and concrete construction products. The stock was sold from the Portfolio after it exceeded the Portfolio's market cap guidelines.

American Vanguard Corp. (AVD) manufactures agricultural products primarily for crop protection and management. Earnings results have been disappointing, driven by a decline in US crop sales as a China-based supplier was unable to deliver one of their leading products. The stock was removed from the Portfolio given the company's execution issues in the last two quarters and an outlook still reliant on the recovery of this disrupted product line.

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

Information is as of 6/30/2023

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.
Small Cap Growth Composite
7/1/2013 - 12/31/2022

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 2000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2000 Growth 3-Yr annualized ex-post St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	% of composite represented by non fee paying accounts	Total Firm Discretionary Assets End of Period ($ millions)	Total Firm Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2022	-25.6	-26.1	-26.4	24.1	26.2	322	0.47	537	<1%	10,083	6,799	16,882
2021	41.7	40.9	2.8	20.6	23.1	303	1.24	390	<1%	12,778	8,018	20,796
2020	35.8	35.3	34.6	23.8	25.1	206	1.64	84	<1%	10,746	5,523	16,269
2019	22.9	22.5	28.5	16.9	16.4	128	0.90	41	<1%	8,445	4,083	12,528
2018	2.1	1.7	-9.3	17.4	16.5	103	0.69	30	<1%	7,102	3,132	10,234
2017	22.4	22.0	22.2	14.8	14.6	69	0.62	25	<1%	7,272	3,274	10,546
2016	17.3	16.9	11.3	16.2	16.7	15	n/a	9	1%	5,693	2,445	8,139
2015	3.0	2.8	-1.4	n/a	n/a	≤5	n/a	1	n/a	5,941	1,153	7,094
2014	6.1	5.9	5.6	n/a	n/a	≤5	n/a	0.6	n/a	6,328	1,121	7,449
6/30/13 – 12/31/13	23.0	22.9	22.0	n/a	n/a	≤5	n/a	0.6	n/a	6,489	978	7,467

#The "Total Firm Assets" column includes unified managed account (UMA) assets
Congress Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Congress Asset Management has been independently verified for the periods 1/1/96 – 12/31/22. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Small Cap Growth Composite has had a performance examination for the periods 1/1/18 – 12/31/22. The verification and performance examination reports are available upon request.

Firm Information: Congress Asset Management Co. (CAM) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. CAM manages a variety of public equity, private equity, fixed income, and ETF managed portfolios for private and institutional clients. CAM acquired Prelude Asset Management, LLC on March 15, 2010. CAM merged with Congress Capital Partners, LLP on June 30, 2015. CAM acquired certain strategies of Century Capital Management, LLC on September 15, 2017.

Composite Characteristics: The creation and inception date of the Small Cap Growth Composite is July 1, 2013, which reflects the first full month an account was fully invested in the strategy and met the inclusion criteria. The composite includes all fully discretionary portfolios with a value over $100 thousand (US dollars) managed in the small cap growth style for a minimum of one full month. The small cap growth strategy invests in the equity of high-quality companies with market capitalizations between $300 million and $4 billion (at the time of purchase) exhibiting consistent earnings growth. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016, the composite minimum was $50 thousand (US dollars). The primary composite benchmark is the Russell 2000 Growth Index. The benchmark returns are not covered by the report of the independent verifiers. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. A list of composite descriptions, a list of broad distribution pooled funds, and a list of limited distribution pooled fund descriptions are available upon request.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Net of fees returns are calculated using actual management fees. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. Accruals for equity securities are included in calculations. Internal dispersion is calculated using the asset-weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. It is not presented prior to 2016 because 36-month returns were not available.

Fee Schedule: The firms' individual account fee schedule is as follows: 1.00% for first $1 million, 0.80% for next $4 million, 0.60% for next $5 million. Management fees for individual accounts with assets under management exceeding $10 million, and for institutional accounts are negotiated. The individual account fee schedule may be subject to negotiation where circumstances warrant. As fees are deducted quarterly, the compounding effect will increase the impact of the fees by an amount directly related to the gross account performance. For example, an account earning a 10% annual gross return with a 1% annual fee deducted quarterly would earn an 8.9% annual net return due to compounding. The management fee schedule and expense ratio for the Small Cap Growth Fund Institutional Shares is 0.85% and 1.00%, respectively. The management fee schedule and expense ratio for the Small Cap Growth Fund Retail Shares is 0.85% and 1.25%, respectively.

Other Disclosures: Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.