



## INTERMEDIATE FIXED INCOME STRATEGY

*Congress Asset Management strives for preservation of capital, consistent income, and alpha generation through a diversified portfolio of investment grade government, corporate, and securitized bonds. Consistency of approach and adherence to sound fundamental and relative value analysis is the basis of our investment process.*

### Company Snapshot

Company Assets	\$22.6 bn*
Strategy Assets	\$926 mm*
Founded	1985

\*Totals include model management assets.

### Investment Committee

### Company Tenure

Jeff Porter, CFA Committee Chair	2010
John Beaver, CFA	2002
Brian Guild	2000
John Corrigan, CFA	2011

### Ratings Distribution<sup>1%</sup>



46.9	Aaa	■
6.4	Aa	■
41.6	A	■
5.1	Baa	■
--	NR	■

### Sector Allocation<sup>1%</sup>



39.1	Government	■
7.1	Securitized	■
52.3	Corporates	■
1.5	Cash	■

### Characteristics<sup>1</sup>

Characteristics <sup>1</sup>	Representative Intermediate Fixed Income Account	Bloomberg US Intermediate Govt/Credit Index
Average YTM	4.75	4.70
Average Maturity (yrs)	3.94	4.29
Average Coupon (%)	3.22	3.04
Average Duration	3.48	3.77
Average Rating	Aa3	AA2/AA3

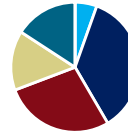
### Risk Return Analysis\*

	Intermediate Fixed (Gross)	Intermediate Fixed (Net)	Bloomberg US Intermediate Govt/Credit Index
Standard Deviation %	4.40	4.38	3.90
Alpha	0.29	-0.09	--
Beta	1.08	1.08	1.00
Sharpe Ratio	0.65	0.56	0.60
Tracking Error	1.10	1.10	--
Information Ratio	0.43	0.07	—

### Distribution by Duration<sup>1%</sup>

	Representative Intermediate Fixed Account	Bloomberg US Intermediate Govt/Credit Index
Under 1 yr.	16.4	1.1
1-3 yrs.	30.3	41.0
3-5 yrs.	25.2	30.5
5-7 yrs.	14.7	19.5
7-10 yrs.	13.5	7.9
10 yrs. +	--	--

### Maturity Allocation<sup>1%</sup>



5.5	<1 yr.	■
36.0	1-3 yrs.	■
27.8	3-5 yrs.	■
14.8	5-7 yrs.	■
15.9	7-10 yrs.	■
--	10+ yrs.	■

### Annualized Returns % as of 3/31/2024

Performance is preliminary and subject to change at any time.

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception 1/1/1985
Congress Intermediate Fixed Income Composite (Gross)	-0.20	-0.20	2.67	-0.74	1.22	1.68	5.97
Congress Intermediate Fixed Income Composite (Net)	-0.23	-0.23	2.57	-0.87	1.07	1.46	5.57
Bloomberg US Intermediate Govt/Credit Index	-0.15	-0.15	2.69	-1.06	1.09	1.61	5.49

All data is as of 3/31/2024. Sources throughout this presentation: Congress Asset Management, Bloomberg Finance L.P., 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. <sup>1</sup>The information shown is for a representative account as of 3/31/2024. Actual client account holdings and sector allocations may vary.

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**Top 10 Corporate Issuers %**

NextEra Energy Inc.	3.77
JPMorgan Chase & Co.	3.64
Goldman Sachs Group Inc.	3.63
Wells Fargo & Co.	3.53
Bank of America Corp.	3.44
Toyota Motor Credit Corp.	2.78
Target Corp.	2.68
Verizon Communications	2.67
Comcast Corp.	2.63
Archer-Daniels-Midland Co.	2.59

**Investment Process**

We seek to add value through the following five step process:

1. Determining global macro trends and credit market impact
2. Controlling interest rate risk through management of yield curve exposure
3. Integrating proprietary research, quantitative analysis, and break-even screens
4. Selecting credits based on deep fundamental credit research and relative valuation
5. Continuing the process and reviewing on an active daily basis

Portfolio managers utilize an array of proprietary analytical tools: Fundamental credit models

1. Relative valuation models
2. Pre-and post-trade scenario models
3. Detailed benchmark comparison model

Fixed Income strategy is based on the decision of the Fixed Income Investment Policy Committee. Implementation of the strategy is based upon the decision of the Portfolio Manager(s).

**Investment Philosophy**

Our investment philosophy for core fixed income management emphasizes a unique and defined tactical allocation approach to fixed income management, with the following strategic and tactical factors:

<b>Strategic:</b>	<b>Tactical:</b>
> Global Macro Considerations	> Security Selection
> Yield Curve Management	> Relative Valuation
> Sector Considerations	> Break-even analysis v. risk free investments

**Portfolio Construction**

- <75% exposure to non-government securities to maintain sufficient liquidity
- No non-government security will exceed 5% of total market value

**Definitions:** **Bloomberg US Intermediate Govt/Credit Index** tracks the performance of intermediate term U.S. government and corporate bonds. You cannot invest directly in an index. **Standard Deviation** measures historical volatility **Beta** measures the volatility of a portfolio in comparison to an index **Sharpe Ratio** uses standard deviation and excess return to determine reward per unit of risk **Alpha** compares the risk-adjusted performance of a portfolio to an index. **Tracking Error** is the divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns

**Congress Asset Management Co. Intermediate Fixed Income Composite 1/1/2013 - 12/31/2022**

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Bloomberg US Intermediate Govt/Credit Return %	Composite Gross 3-Yr annualized ex-post St Dev (%)	Bloomberg US Intermediate Govt/Credit 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	-7.4	-7.5	-8.2	3.7	3.8	99	0.32	448	10,083	6,799	16,882
2021	-1.5	-1.6	-1.4	2.2	2.3	90	0.10	505	12,778	8,018	20,796
2020	6.3	6.2	6.4	2.2	2.3	92	0.44	551	10,746	5,523	16,269
2019	6.6	6.4	6.8	1.9	2.0	81	0.19	512	8,445	4,083	12,528
2018	0.8	0.5	0.9	2.0	2.1	70	0.13	209	7,102	3,132	10,234
2017	2.0	1.7	2.1	2.0	2.1	67	0.12	187	7,272	3,274	10,546
2016	2.0	1.7	2.1	2.1	2.2	73	0.27	179	5,693	2,445	8,139
2015	1.4	1.1	1.1	2.1	2.1	66	0.14	168	5,941	1,153	7,094
2014	3.2	2.9	3.1	1.9	1.9	54	0.21	151	6,328	1,121	7,449
2013	-0.9	-1.2	-0.9	2.1	2.1	50	0.18	142	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 Intermediate Fixed Income 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 Intermediate Fixed Income Composite was created on January 1, 1993 and the inception date 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 \$500 thousand (US dollars) managed in the intermediate fixed income style for a minimum of one full month. The intermediate fixed income strategy invests in high quality bonds in the intermediate maturity range. Asset classes include Investment Grade Corporate Bonds, U.S. Government Bonds, U.S. Federal Agency Bonds, and Mortgage-Backed Securities. Accounts with wrap commissions are excluded from the composite. Prior to September 1, 2005, the composite did not include taxable accounts, private client accounts, or accounts with less than \$1 million. The composite benchmark is the Bloomberg US Intermediate Government / Credit 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 5% in 2007 and 1% in 2008. 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 stated management fee in the Intermediate Fixed Income Composite, which was 0.50%, applied quarterly. Effective January 1, 2007, net of fees returns are calculated using actual management fees. Accruals for fixed income 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.