Market Review

Over the last few years, the U.S. economy has been like the little blue engine in the 1930 folk tale The Little Engine That Could. Much like the storied blue engine, the economy has overcome conventional wisdom, scaling post-COVID challenges and in the process pulled the developed world into a benign growth environment. Recent economic releases suggest inflation is cooperating and global growth, ex China, is improving.

In the U.S., as the presidential election began to heat up, the Federal Reserve (Fed) reassured investors of their intentions to lower the short-term interest rates it controls in an effort to alleviate economic restraint and improve growth prospects for this year and next. This helped propel a strong first quarter for stocks as the S&P 500 returned about 10%. In contrast, perhaps anticipating a rockier road than the Fed implied, bond yields rose moderately, pushing bond prices down.

Global financial markets exuded a positive aura during the first quarter as well. Stocks rallied throughout much of the world reflecting improved economic outlooks and the shedding of the post-COVID malaise. In a confirmation that the world is moving past the last vestiges of the Great Financial Crisis of 2008, the Bank of Japan ended its negative interest rate policy after eight years and raised short term interest rates for the first time since 2007. The Nikkei stock market notched its first record in 34 years and has returned about 20% this year.

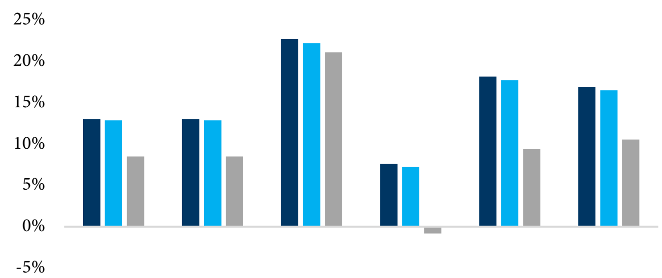
The increasing acceptance of a sustained U.S. expansion is built on three pillars: a strong employment scenario; sound private sector financial metrics; and continued fiscal spending. At the same time, the rampant inflation of 2022-2023 appears to have eased, though the cumulative effects remain, with greater impact to lower income Americans.

Performance Overview

The Congress SMid Growth Portfolio ("the Portfolio") returned 13.0% (gross of fees) and 12.9% (net of fees) during the quarter, while the Russell 2500 Growth Index returned 8.5%

The Portfolio benefited from security selection in Consumer Discretionary, Industrials, Health Care, and Materials. However, security selection and a relative underweight allocation to Information Technology detracted from performance, as did an underweight allocation to Consumer Discretionary.

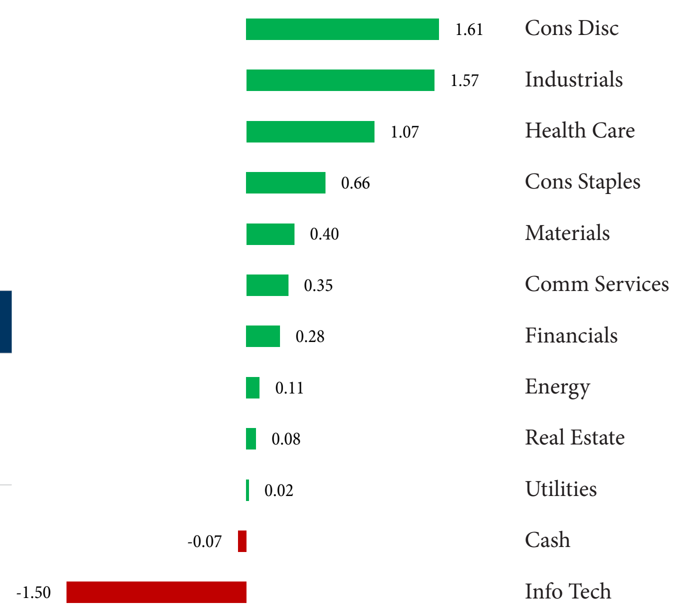
% Average Annual Returns as of 3/31/2024



		QTD	YTD	1 Yr	3 Yrs	5Yrs	Inception (4/1/2017)
SMid Growth Composite (Gross)	■	13.0	13.0	22.7	7.6	18.2	17.0
SMid Growth Composite (Net)	■	12.9	12.9	22.2	7.2	17.7	16.5
Russell 2500 Growth®	■	8.5	8.5	21.1	-0.8	9.4	10.6

Performance is preliminary and subject to change at any time.

% Total Effect Portfolio vs. Index[1]
12/31/2023 - 3/31/2024



1Q 2024 Attribution Highlights

Overall Contributors

- Security selection in Consumer Discretionary, Industrials, Health Care & Materials

Overall Detractors

- Security selection in Information Technology
- Underweight allocations to Information Technology & Consumer Discretionary

Top 5 Contributors/Detractors

Stock	Avg. Weight%
Comfort Systems USA, Inc.	5.25
e.l.f. Beauty, Inc.	4.70
Williams-Sonoma, Inc.	3.39
Medpace Holdings, Inc.	4.26
AZEK Co., Inc.	3.35

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Insulet Corporation	2.02
MarketAxess Holdings Inc.	0.79
Calix, Inc.	1.49
DoubleVerify Holdings, Inc.	1.05
Simply Good Foods Co.	2.20

Comfort Systems USA, Inc. (FIX) provides mechanical and electrical contracting services across non-residential markets and supports new construction, existing construction, and building services. FIX realized another quarter of exceptional organic growth, margin expansion, and free cash flow that was supported by the reshoring of advance manufacturing to the United States and the buildout of data centers to support AI investment. Its backlog of new work also increased meaningfully which has led to higher earnings expectations in the years ahead.

e.l.f. Beauty, Inc. (ELF) is a leading beauty products company offering high-quality cosmetics at value prices. Quarterly results surpassed expectations, driven by market share gains. The brand's success in attracting new customers through product innovation, effective marketing, and expanded distribution contributed to the positive performance. Management raised guidance for the current fiscal year, now expecting organic sales growth of nearly 70%.

Williams-Sonoma, Inc. (WSM) is a consumer retail company offering home and kitchenware products online and through its retail outlets. Despite industry pressures leading to lower year-over-year sales, WSM consistently exceeded margin expectations. This was attributed to the company's strategic decision to refrain from heightened promotional activities seen across the industry, coupled with strong operational execution, resulting in EPS surpassing consensus estimates.

Medpace Holdings, Inc. (MEDP) provides outsourced clinical development solutions to biotechnology companies. MEDP reported a strong Q423 and issued 2024 guidance above expectations. Importantly, the biotechnology funding environment has been improving, resulting in an increase in projects and net new business, which are leading indicators for revenue. MEDP remains well positioned to serve the small and mid-sized biotechnology market and should be able to take advantage of funding strength, in our view.

AZEK Company, Inc. (AZEK) is a manufacturer of premium alternative and sustainable products for the Outdoor Living market including decking, railing, exterior trim, and accessories. The composite decking category within the broader building product complex remains a standout as consumer demand has been solid despite higher interest rates. This end-demand, alongside a conservatively low inventory level at AZEK's distributor partners, is supportive of revenue growth in the year ahead. Additionally, any reduction in interest rates should provide further upside to earnings growth.

Insulet Corporation, Inc. (PODD) is a medical device company that develops patch insulin delivery systems for people with insulin-dependent diabetes. While Q4 2023 results were solid, markets discounted PODD's ability to execute in 2024 as some of the quarter's strength came from sales that were pulled forward. We believe fundamentals remain strong and PODD is attractive over the long term due to its compelling competitive advantage and broadening appeal in the diabetes market.

MarketAxess Holdings, Inc. (MKTX) operates an electronic fixed income trading platform. MKTX experienced market share loss in U.S. high-grade and high-yield trading volume during Q4 2023 with management noting on the quarterly earnings call that these trends had persisted into January. Moreover, the inverted treasury yield curve has been acting as a headwind to commission revenue earned from high-grade corporate bond volume traded on MKTX's platform. MKTX was sold during the quarter.

Calix, Inc. (CALX) is a provider of broadband communication access systems and software, offering solutions from basic voice and data to advanced broadband services. CALX reported a disappointing fiscal 4Q23, marked by slowing customer orders due to the delay of key government funding. Management anticipates improvement in the second half of 2024, although the timing remains uncertain.

DoubleVerify Holdings, Inc. (DV) is a leading provider of verification, fraud prevention, and brand suitability services for digital advertisers. The company faced challenges due to competitor pricing strategies impacting its business, along with weaker-than-expected guidance for the beginning of the year as some new customers were slow to increase spending. However, DV remains well positioned to benefit from the ongoing shift to digital advertising, with an upcoming product launch on Facebook expected later this year.

Simply Good Foods Co. (SMPL) is a consumer-packaged food and beverage company focused on leading the nutritious snacking movement. Its product portfolio includes protein bars, ready-to-drink shakes, sweet and salty snacks, and confectionery products marketed under the Atkins and Quest brand names. The stock faced pressure this quarter due to industry data indicating slowing consumption in some product categories. However, the company's Quest brand continues to experience rapid growth and gain market share.

1Q 2024 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Increased allocation to Health Care & Information Technology • Decreased allocation to Consumer Discretionary & Industrials	• Penumbra, Inc. (PEN) - Health Care • Morningstar, Inc. (MORN) - Financials • DoubleVerify Holdings, Inc. (DV) - Information Technology	• Papa John's International, Inc. (PZZA) - Consumer Discretionary • Marketaxess Holdings, Inc. (MKTX) - Financials • Exponent, Inc. (EXPO) - Industrials

Purchased

Penumbra, Inc. (PEN) is a leading provider of medical devices for use in mechanical thrombectomy and embolization procedures. PEN recently launched computer aided vacuum thrombectomy for use in arterial and venous thrombosis as well as pulmonary embolism. We believe the step change improvement in procedure safety, efficacy, and efficiency will drive significant adoption and increased use of its thrombectomy devices. This both expands the market and helps PEN take share from competition. We believe this structural advantage is durable and will help drive strong revenue and earnings growth.

Morningstar, Inc. (MORN) provides investment research and asset management services. The company derives most of its revenue from its license-based portfolio, a segment that has consistently grown at double-digit rates. Pitchbook, one of MORN's flagship assets, has experienced an impressive 20% growth rate for the past few years. MORN revenue is also linked to global asset values and net inflows into its index products, providing the company with cyclical upside potential.

DoubleVerify Holdings, Inc. (DV) is a top provider of verification, fraud prevention, and brand suitability services for digital advertisers. DV has seen substantial growth given the ongoing transition from traditional to digital advertising and the rising instances of digital ad fraud. We believe that DV's platform-agnostic approach positions it to capitalize on emerging channels like connected TV and retail media, bolstering its prospects for success.

Sold

Papa John's International, Inc. (PZZA) operates and franchises pizza delivery and carryout restaurants centered on its brand promise of "Better Ingredients, Better Pizza." Continued challenges in the UK and the Middle East pressured its international expansion, a core piece of its growth plans. Management also released a new long-term strategic plan that would change how its business model worked with franchisors, adding additional uncertainty.

MarketAxess Holdings Inc. (MKTX) operates an electronic fixed income trading platform. The presence of an inverted treasury yield curve has posed challenges, acting as a headwind to commission revenue derived from high-grade corporate volumes traded on MKTX's platform. MKTX experienced a decline in market share in trading volumes throughout 2023 and management acknowledged on the Q4 2023 earnings call that share loss continued into January.

Exponent, Inc. (EXPO) is a science and engineering consulting firm that helps private industry and government navigate litigation, regulations, design creation, and integrity management. On its most recent earnings call, it was revealed that a decline in demand within its consumer electronics practice has become steeper and more dragged out than originally thought. Despite proactive efforts by management to right size the cost structure, visibility toward a recovery in earnings growth had been impaired.

Positioning

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

Outlook

The financial markets face a myriad of challenges this election year, but currently economic growth is not one of them. Each challenge, such as war, can have expansive socio-economic consequences. Each must be given its due but the path of the domestic markets this year likely hinges on the course of interest rates and the inflation level.

We believe that caution regarding interest rates is warranted. The Fed, through its Open Market Committee, controls short-term interest rates and regularly forecasts its economic outlook and anticipated interest rate moves. The Fed has indicated it will lower short term rates this summer. This is welcome as lower rates promote investment and can bolster stock market valuation. Stock market action over the last five months, however, suggests the anticipated rate cut is already embedded in stock prices.

Investors appear to be anticipating lower longer-term rates, akin to rates experienced in the 2010's when monetary policy was dominated by "lower for longer" type mandates. This is misguided, in our view. The Fed does not control longer term rates, which are impacted by a host of economic factors including the cumulative federal deficit and more immediate issues such as inflation.

Regarding the deficit, U. S. Treasury Secretary Janet Yellen, representing the administration, recently suggested that ten-year Treasury interest rates are likely to remain near current levels for the next decade. Today, this interest rate is about 4.2%, far higher than the rate experienced during the

2010's. This is partly attributed to the Congressional Budget Office's recent forecast for federal debt to skyrocket over the next few years.

Inflation, unlike federal spending and deficits, is a political priority with current implications for investors and the electorate. The alarming 9% inflation rate from 2022 is history, but the descent to the desired 2% rate has paused. Much blame has been attributed to the costs of housing, a large component of the Consumer Price Index, that is expected to abate over time. But many commodity prices have also started to rise. Most importantly, crude oil and gasoline are both up double digits.

Election years, even ones during expansions, generally bring stock market volatility. With stocks elevated, the path for interest rates holds significant implications for 2024. We anticipate that longer term interest rates will remain volatile but generally around current levels. For stocks, companies with the ability to maintain earnings growth with waning pricing power should fare better. Stock market participation should broaden from the large tech players as they are facing both regulatory actions and more competitive threats.

Congress Asset Management Co. SMid Growth Composite 4/1/2017 - 12/31/2022

Year	Total Return Gross of Fees%	Total Return Net of Fees%	Russell 2500 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2500 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	-21.5	-21.7	-26.2	22.8	25.2	158	0.51	96	10,083	6,799	16,882
2021	28.4	27.9	5.0	18.5	22.0	98	0.91	79	12,778	8,018	20,796
2020	50.3	49.7	40.5	20.7	23.9	47	0.62	55	10,746	5,523	16,269
2019	28.7	28.2	32.7	n/a	n/a	14	n/a	37	8,445	4,083	12,528
2018	1.3	0.9	-7.5	n/a	n/a	≤5	n/a	27	7,102	3,132	10,234
3/31/17–12/31/17	12.8	12.5	17.1	n/a	n/a	≤5	n/a	35	7,272	3,274	10,546

#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 SMid Growth Composite is April 1, 2017, 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 SMid growth style for a minimum of one full month. The SMid growth strategy invests in the equity of high-quality companies with market capitalizations between $300 million and $20 billion (at the time of purchase) exhibiting consistent earnings growth. Accounts with wrap commissions are excluded from the composite. The primary composite benchmark is the Russell 2500 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 for periods prior to 2020 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.

2024_Q1_SMid_01