



Highlights

- The Congress Multi-Cap Growth Portfolio (“the Portfolio”) returned 2.4% (gross) and 2.3% (net of fees) vs 3.7% for the S&P 1500 in 2Q24.
- Our holdings in Technology aided absolute returns on the strength of the AI tailwind during the quarter. This was partially offset by weakness in Materials.
- We made several changes throughout the quarter to upgrade our holdings. We replaced several names due to stock specific factors (i.e. delayed SEC filings and CMS Medicare Advantage rates) with positions that we believe have better growth prospects.
- We invest in companies with established profitability, a history of earnings growth, positive free cash flow, and prudent use of debt and leverage.

Economic Review

- Artificial Intelligence (AI) dominated investor psyche and drove market performance during the quarter. Market sentiment was also supported by the expectation of a continued expansion, a rebound in corporate earnings, and Fed interest rate cuts.
- We believe the transition to lower interest rates will be slow and longer-term rates are likely to remain elevated, which will have significant investing implications.
- The US economy’s underpinnings remain constructive, fortified by continued strength in the labor market, a healthy consumer, and strong corporate balance sheets.
- Despite anticipated volatility, domestic markets remain attractive. Stocks should benefit from continued spending and, for those seeking current income, short and intermediate bonds offer attractive yields.

Portfolio Review

- The Portfolio benefited from its Technology holdings, particularly NVIDIA and Onto Innovations which both reported strong results and are aided by substantial AI tailwinds. Communication Services also contributed, particularly Alphabet, that announced solid first quarter results highlighted by accelerating revenue growth.
- Materials detracted, particularly Sherwin-Williams, as elevated borrowing rates act as headwinds to home builders and home buyers, dampening the outlook for revenue growth. Within Consumer Discretionary, lululemon athletica also detracted as competitive pressures, leadership changes, and less innovation have weighed on shares.

Portfolio Review continued

- The Portfolio typically has limited turnover quarter-over-quarter, but this quarter was the most active since 2015.
 - We added positions that we believe have more resilient growth prospects.
 - We increased and diversified our exposure to Financials.

Outlook

- The coming quarter may be the most volatile quarter of the year given high earnings expectations, potential Fed rate cuts, and the upcoming US election.
 - Given the potential volatility, we expect index leadership will broaden and high quality stocks with high free cash flow and consistent earnings could outperform.
- We believe the Portfolio is well positioned as it holds the largest names in Technology that drove Index performance, yet we also maintain broad exposure across sectors and themes.
 - The Portfolio has direct exposure to AI through the large chipmakers but is also well positioned to benefit from growth of data centers, reshoring of US manufacturing, electrification of the grid, and industrial buildout.
 - The Portfolio has an estimated earnings growth of 24.6% over the next 12 months vs 16.7% for the Index.

Average Annualized Performance (%) as of 6/30/2024

	QTD	YTD	1 Yr	3 Yrs	5Yrs	10 Yrs	Since Inception (7/1/2003)
Multi-Cap Growth Composite (Gross)	2.4	12.3	22.0	4.5	14.3	12.6	10.8
Multi-Cap Growth Composite (Net)	2.3	12.1	21.9	4.2	13.9	12.2	10.4
S&P 1500	3.7	14.3	23.5	9.4	14.6	12.5	10.7

Past performance does not guarantee future results.

Data is as of 6/30/2024. Sources throughout this presentation: Congress Asset Management, FactSet, 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. Actual client account holdings and sector allocations may vary. Past performance does not guarantee future results. Performance is preliminary and subject to change at any time.



Top 5 Contributors/Detractors

STOCK	AVG. WEIGHT%
NVIDIA Corporation	3.69
Onto Innovation, Inc.	3.46
Apple, Inc.	2.60
Arista Networks, Inc.	2.76
Halozyyme Therapeutics, Inc.	1.83

NVIDIA Corporation (NVDA) is a leading semiconductor company focused on chips for gaming, artificial intelligence (AI) and other advanced computing functions. NVDA continues to deliver strong results due to high demand for its AI-related chips. NVDA expects this supply/demand imbalance to last well into next year.

Apple, Inc. (AAPL) is one of the world's largest technology and consumer electronics companies. All-important iPhone results were better than expected in the company's fiscal second quarter. AAPL also announced a partnership with OpenAI, the maker of ChatGPT, marking a significant step towards launching an AI-enabled iPhone.

Onto Innovation, Inc. (ONTO) provides semiconductor fabrication equipment used by semiconductor wafer and advanced packaging device manufacturers. ONTO's solutions are being increasingly adopted to produce high-bandwidth memory, a critical component in the expansion of AI-related data centers.

Bottom 5 Contributors/Detractors

STOCK	AVG. WEIGHT%
DoubleVerify Holdings, Inc.	0.89
Repligen Corporation	1.37
Lululemon Athletica, Inc.	1.76
Pool Corporation	1.66
Workday, Inc.	1.85

DoubleVerify Holdings, Inc. (DV) develops software platforms for digital media measurement, data, and analytics. DV cut its guidance as it is seeing reduced spending from some of its largest customers. Additionally, customers are shifting their priorities away from core markets to newer ones like connected TV and social. DV's social and connected TV products earn lower fees which is creating a headwind to growth. The stock was sold during the quarter.

Repligen Corp. (RGEN) is a leading provider of bioprocessing fluid management systems for biological drug manufacturing. The bioprocessing market recovery has taken longer than expected. Concerns were heightened by an abrupt CEO transition, introducing uncertainty about full-year guidance. However, we believe these issues are transitory, and RGEN remains well-positioned to benefit from increased demand for biologic drug manufacturing, driving strong revenue growth and margin expansion.

Lululemon Athletica, Inc. (LULU) manufactures and sells athletic apparel. Rapid store expansion and the success of competitive brands like Alo Yoga and Vuori in the athleisure market have raised concerns for LULU. Additionally, shares faced pressure following the departure of its Chief Product Officer in May.

Portfolio Activity

Purchases	Sector
Boston Scientific Corporation	Health Care
Comfort Systems USA, Inc.	Industrials
e.l.f. Beauty, Inc.	Consumer Staples
Kinsale Capital Group, Inc.	Financials
Quanta Services, Inc.	Industrials
Meta Platforms, Inc.	Communication Services
Hamilton Lane, Inc.	Financials

Boston Scientific Corporation (BSX) develops and manufactures medical devices used in various specialties including cardiovascular, urology, and neuromodulation. BSX has improved its exposure to faster growing end markets via product innovation. New product launches in the coming years are expected to drive paradigm shifts in the treatment of atrial fibrillation, stroke prevention, and endoscopic procedures. This has the potential to accelerate both sales and earnings growth.

Sales	Sector
DoubleVerify Holdings, Inc.	Information Technology
Deere & Co.	Industrials
Autodesk, Inc.	Information Technology
Veeva Systems, Inc.	Health Care
Skyworks Solutions, Inc.	Information Technology
Air Products and Chemicals, Inc.	Materials
UnitedHealth Group, Inc.	Health Care
Rockwell Automation, Inc.	Industrials
Nike, Inc.	Consumer Discretionary

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Purchases continued

Comfort Systems USA, Inc. (FIX) provides mechanical and electrical contracting services across non-residential markets, supporting new construction, existing construction, and building services. FIX is well-positioned to facilitate the buildout of manufacturing capacity in the U.S. as companies seek to diversify away from overseas sourcing. FIX has also established a leading modular construction operation, winning large contracts to build new data centers that will support AI investment.

e.l.f. Beauty, Inc. (ELF) is a leading beauty products company offering high-quality cosmetics at value prices. ELF continues to attract new customers through product innovation, effective marketing, and expanding distribution.

Kinsale Capital Group, Inc. (KNSL) is a U.S. property and casualty insurer focused exclusively on excess and surplus lines of coverage. KNSL's conservative approach to reserving capital, small-to-medium business focus, and selective risk appetite has consistently led to insurance rate growth outpacing underwriting losses.

Quanta Services, Inc. (PWR) is a leading provider of specialty contracting services, offering comprehensive infrastructure solutions for the electric and gas utility, renewable energy, communications, pipeline, and energy industries. The U.S. electrical grid is currently underfunded and with growing electricity demand from data centers, electric vehicles, and reshoring of manufacturing, utilities will need to increase their investment in transmission and distribution. This ongoing capital investment is expected to boost Quanta's earnings potential.

Meta Platforms, Inc. (META) develops social media applications. Despite experiencing a period of disruption from Apple's restrictive operating system changes, META's engagement and monetization have begun to improve. It has a newfound focus on operational efficiency and the company offers one of the largest social platforms in the world, making it an ideal place for advertisers to reach target audiences.

Hamilton Lane, Inc. (HLNE) provides private asset investment solutions, offering both private asset advisory and analytics solutions as well as asset management services. HLNE's front-to-back private asset solutions and depth and breadth of expertise across private asset classes offer significant competitive advantages, leading to above-peer growth.

Sales continued

Deere & Co. (DE) is the world's largest manufacturer of farm tractors and combines, and a significant producer of construction equipment. Recently, DE's net income has been declining sharply as the company scales down its production to better match the reduced income expectations of farmers. If crop prices stay low, there is a higher likelihood that farmers will delay investing in new equipment. This could result in a smaller order backlog and an impact on earnings growth.

Autodesk, Inc. (ADSK) is a software company serving the architecture, engineering, construction, media and entertainment, and manufacturing industries. ADSK recently conducted an internal investigation into its accounting practices related to free cash flow. This investigation, along with an increasing reliance on pricing, puts Autodesk's long-term revenue growth and free cash flow targets at risk.

Veeva Systems, Inc. (VEEV) is a provider of cloud-based relationship management solutions to the life sciences industry. VEEV has been negatively impacted by customers cutting spending with external vendors. A competitive threat has also arisen from former partner Salesforce, which recently partnered with leading clinical research company IQVIA. This combination of increased competition and a weak customer base will likely slow revenue growth and cause deleveraging of profit margins.

Skyworks Solutions, Inc. (SWKS) designs, manufactures, and distributes high-performance analog semiconductor chips that support wired and wireless connectivity. The stock was sold from the Portfolio due to concerns that SWKS is overly reliant on Apple to generate a significant part of its growth.

Air Products and Chemicals, Inc. (APD) is the world's largest supplier of hydrogen and has built positions in growth markets such as helium and natural gas liquefaction. APD reported disappointing fiscal Q1 2024 results and lowered its fiscal 2024 earnings guidance. Its business is being negatively impacted by a manufacturing slowdown in China, lower global demand for helium, and various cost headwinds.

UnitedHealth Group, Inc. (UNH) provides healthcare coverage, software, and data consultancy services through the following business segments: United Healthcare, OptumHealth, OptumInsight (software and information services) and OptumRx (pharmacy benefits manager). The Medicare Advantage business had been a structural tailwind driving outsized growth in UNH's insurance business. However, the operating dynamics are challenged in Medicare Advantage with changes to the reimbursement structure combined with higher procedure utilization. We believe this will become a headwind to growth and profitability as it is increasingly likely UNH will have to reduce benefits to preserve margins and become less competitive as a result.

Rockwell Automation, Inc. (ROK) is a global leader in industrial automation equipment. The recent destocking in the supply chain has been more intense than expected. This has resulted in significantly lower earnings expectations and revealed that management has less visibility into the business than previously thought. Additionally, we believe that future estimates are still risky because management is anticipating a substantial increase in orders in the coming quarters.

Nike, Inc. (NKE) is the world's leading designer, marketer, and distributor of authentic athletic footwear, apparel, equipment, and accessories for various sports and fitness activities. NKE's recent strategic pivot back toward the wholesale channel and an accelerated innovation cycle, combined with increasing competitive threats, have made the long-term outlook less certain. In the near term, NKE provided a weaker-than-expected forecast in their most recent quarterly update, partly due to this strategic shift.



Congress Asset Management Co. Multi-Cap Growth Composite 1/1/2014 - 12/31/2023

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P Composite 1500 Return % (dividends reinvested)	Russell 3000 Growth % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P Composite 1500 3-Yr annualized ex-post St Dev (%)	Russell 3000 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 #
2023	30.2	29.9	25.5	41.2	20.9	17.4	20.3	29	1	325	12,146	8,514	20,660
2022	-27.5	-27.7	-17.8	-29.0	24.2	21.1	23.4	32	0	287	10,083	6,799	16,882
2021	22.6	22.1	28.5	28.7	19.2	17.5	17.2	34	1	403	12,778	8,018	20,796
2020	39.6	39.1	17.9	18.4	20.7	18.9	18.5	30	1	324	10,746	5,523	16,269
2019	33.4	32.9	30.9	31.5	13.4	12.1	11.9	27	1	242	8,445	4,083	12,528
2018	-3.4	-3.8	-5.0	-4.4	12.4	11.0	10.8	23	0	187	7,102	3,132	10,234
2017	25.4	24.9	21.1	21.8	10.3	9.9	9.9	23	1	215	7,272	3,274	10,546
2016	0.5	0.1	13.0	12.0	11.4	10.7	10.6	6	n/a	131	5,693	2,445	8,139
2015	2.7	2.3	1.0	1.4	10.8	10.5	10.5	≤5	n/a	135	5,941	1,153	7,094
2014	7.0	6.6	13.1	13.7	10.4	9.1	9.0	≤5	n/a	134	6,328	1,121	7,449

#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 – 12/31/23. 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 Multi-Cap Growth Composite is July 1, 2003, 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 multi cap growth style for a minimum of one full month. The multi-cap growth strategy invests in the equity of high-quality companies with market capitalizations over \$500 million 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). The primary composite benchmark is the S&P Composite 1500 Index, and the S&P 500 Index is a supplemental index. Effective April 1, 2021, the Multi-Cap Growth Composite benchmark was changed retroactively from the Russell 3000 Growth Index to the S&P Composite 1500 Index in order to better represent the investable universe. 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 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 management fee in the Multi-Cap Growth Composite, which was 0.63%, 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 the 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. The CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

