CONGRESS
ASSET MANAGEMENT COMPANY

Large Cap Growth Portfolio

Commentary | 3Q24 | Managed Accounts

Highlights

- The Congress Large Cap Growth Portfolio ("the Portfolio") returned 3.4% (net of fees) vs 3.2% for the Russell 1000 Growth Index ("the Index") in 3Q24. Improving market breadth and diverging performance in megacap tech names weighed on the more concentrated Index. Our diversification guardrails, which have hurt relative performance year-to-date, outperformed in this environment.
- We believe long-term investors will continue benefit from portfolio diversification, especially given the extreme Index concentration levels. Technology is ~50% of the Index and the top ten stocks are ~60%.
- Industrials, particularly stocks with exposure to the strong aerospace environment, benefited relative performance. Communication Services also contributed, aided by our exposure to advertising technology. This was partially offset by Health Care.
- Our Portfolio has shown an ability to participate in up markets and mitigate risk in down markets, relative to its Index. Since inception, the Portfolio has a 88% upside capture and 76% downside capture (net of fees).

Portfolio Review

- Index leadership broadened on dovish interest rate expectations and 65% of Index constituents and 7 of 11 sectors outperformed. Weaker performance in several of the megacap tech stocks that drove returns in the 1st half of the year also weighed on the Index. Of the top 5 stocks in the Index, which make up almost 50% of the Index, three had negative returns.
- The Portfolio benefitted from its Industrials holdings, particularly Howmet Aerospace which is seeing exceptional margin expansion amidst strong demand for new airplanes and expanding market share. Within Communication Services, Trade Desk contributed to relative performance as it continues to benefit from streaming providers adopting ad-supported content. Our overweight to Materials aided the Portfolio as cooling inflation was a tailwind to the sector.
- Health Care was the largest detractor from relative performance, particularly Dexcom which saw a significant reduction in growth and forward guidance due to a salesforce restructuring. Within Technology, Synopsys, which caters to the semiconductor industry, also detracted on concerns of weakness in Intel, one of its largest partners. The semiconductor industry was also broadly hurt on fears of a weaker capex cycle, further export restrictions, and a pullback in AI enthusiasm.
- We made several changes to the Portfolio during the quarter. On the Consumer side, we continue to focus on companies that offer good value and can pass on price increases. In Health Care, we increased exposure

Portfolio Review continued

to the recovery in biopharma spending. We also added in Technology and Financials.

- We invest in companies with established profitability, a history of earnings growth, positive free cash flow, and prudent use of debt and leverage.

Outlook

- The 4th quarter is likely to see elevated volatility, particularly given the upcoming election and uncertainty around the pace and timing of Fed rate cuts.
  - The VIX Index, which estimates expected volatility in the S&P 500, is 20% higher on average in the 4th quarter in election years vs non-election years.
- Valuations of market cap weighted indices remain at historically rich levels.
  - The forward P/E of the S&P 500 is trading at 25% premium to the equal weight Index, over 2 standard deviations higher than its long-term average.
- The Portfolio holds the largest Technology stocks that drove year-to-date performance but also maintains broad exposure across sectors and themes: including AI, the buildout of data centers, reshoring of manufacturing, and the strong aerospace environment.

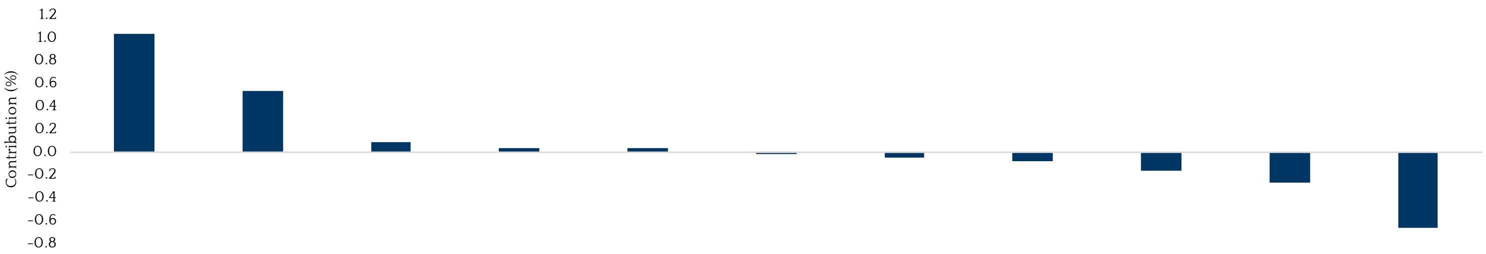
Average Annualized Performance (%) as of 9/30/2024

	QTD	YTD	1 Yr	3 Yrs	5Yrs	10 Yrs	Since Inception (1/1/1985)
Large Cap Growth Composite (Gross)	3.5	20.6	35.0	11.5	16.2	15.0	12.8
Large Cap Growth Composite (Net)	3.4	20.3	34.5	11.1	15.8	14.5	12.0
Russell 1000 Growth®	3.2	24.5	42.2	12.0	19.7	16.5	12.1

Past performance does not guarantee future results

Data is as of 9/30/2024. Sources throughout this presentation: Congress Asset Management, Bloomberg, 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. Actual client account holdings and sector allocations may vary. Performance is preliminary and subject to change at any time.

% Total Effect Portfolio vs. Index
6/30/2024 - 9/30/2024



	Industrials	Comm Svcs	Materials	Cons Disc	Cons Staples	Energy	Utilities	Real Estate	Financials	Info Tech	Health Care
Allocation Effect	0.34	0.12	0.98	0.01	0.05	-0.02	-0.05	-0.08	0.17	0.28	-0.22
Selection Effect	0.69	0.42	-0.90	0.02	-0.02	0.01	0.00	0.00	-0.33	-0.55	-0.44
Total Effect	1.03	0.54	0.09	0.03	0.03	-0.02	-0.05	-0.08	-0.16	-0.27	-0.66

Top 5 Contributors/Detractors

Stock	Avg. Weight%
Howmet Aerospace, Inc.	2.31
Sherwin-Williams Co.	2.19
Parker-Hannifin Corp.	2.02
Meta Platforms, Inc.	3.02
ServiceNow, Inc.	2.80

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Dexcom, Inc.	0.74
Synopsys, Inc.	2.67
Freeport-McMoran, Inc.	1.79
NXP Semiconductors N.V.	2.51
Alphabet, Inc. Class A	2.72

Howmet Aerospace, Inc. (HWM) is a leading manufacturer of jet engine components, fastening systems, and airframe structural components, primarily for the commercial and defense aerospace industries. Despite ongoing production quality issues affecting Boeing, one of Howmet's largest clients, the company is achieving exceptional margin expansion. The demand for new airplanes remains strong, and as industry supply chain issues improve over time, Howmet is expected to realize further operating leverage.

Sherwin-Williams Co. (SHW) is a global leader in the manufacture, development, distribution, and sale of paints, coatings, and related products. SHW's business is primarily driven by single-family housing activity in the U.S. Investments in the Paint Stores Group, which began in 2022, are starting to pay off, as evidenced by positive volume growth and margin expansion.

Parker-Hannifin Corp. (PH) is a leading global manufacturer of highly engineered motion and control solutions, with products used in nearly every significant manufacturing, transportation, and processing industry. Parker impressed investors by initiating its fiscal year 2025 guidance, expecting robust growth despite a soft industrial economy in North America and Europe. Growth is attributed to company-specific margin expansion initiatives and strength in its aerospace business.

Dexcom, Inc. (DXCM) manufactures continuous glucose monitors (CGM) for patients with diabetes. A salesforce restructuring created headwinds in a key distribution channel, leading to a significant reduction in growth and forward guidance that was more severe than expected. The position was sold following the disappointing quarterly earnings report.

Synopsys, Inc. (SNPS) is a leading provider of electronic design automation (EDA) software and intellectual property (IP) for the semiconductor industry. One of Synopsys' largest customers, Intel, recently announced cost-saving initiatives, raising concerns about the future size of their relationship. Despite this, EDA and IP solutions remain strategic to semiconductor companies, and Synopsys is well-positioned to benefit from shorter design cycles and increasing complexity in chip architecture.

Freeport-McMoRan, Inc. (FCX) is a leading international mining company with geographically diverse assets and significant proven and probable reserves of copper, gold, and molybdenum. FCX's revenues are primarily driven by copper sales, making it highly sensitive to copper prices, which declined for much of Q3 due to slowing global demand. As a result, the position was sold during the quarter.

Information is as of 9/30/2024. Sources: Congress Asset Management and Bloomberg. 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.

Portfolio Activity

Purchases	Sector	Sales	Sector
The Goldman Sachs Group, Inc.	Financials	CME Group, Inc.	Financials
Chipotle Mexican Grill, Inc.	Consumer Discretionary	Dexcom, Inc.	Health Care
Palo Alto Networks, Inc.	Information Technology	Procter & Gamble, Inc.	Consumer Staples
Thermo Fisher Scientific, Inc.	Health Care	Roper Technologies, Inc.	Information Technology
		Freeport-McMoRan, Inc.	Materials

The Goldman Sachs Group, Inc. (GS) is one of the world's top investment banking, trading, and asset management firms with leading market share in its M&A and equity capital markets businesses. Over the past several years, GS has been implementing a fundamental change in its approach to balance sheet management and profitable growth. This new strategy, called One Goldman Sachs, is centered around growing wallet share with investment banking clients while also creating a more durable base of revenues and earnings in its other businesses to offset the inherent cyclicality in investment banking.

Chipotle Mexican Grill, Inc. (CMG) operates the largest fast-casual dining chain in the U.S., offering responsibly sourced, traditionally prepared Mexican dishes. Chipotle believes that providing quality food at a good value, along with an innovative menu, fosters customer loyalty. We see growth potential in CMG's goal to double its restaurant locations and effectively implement operational programs to increase efficiency.

Palo Alto Networks, Inc. (PANW) provides a cybersecurity platform that spans network security, cloud security, and security operations. PANW is well positioned to leverage its substantial network security installed base to cross-sell products for adjacent markets. Additionally, cloud security is a nascent market and PANW has seen rapid growth in this segment given its comprehensive portfolio of products.

Thermo Fisher Scientific, Inc. (TMO) provides instruments and services to the life sciences industry. We believe the company will benefit from a recovery in biotechnology and pharmaceutical research & development spending. The continuing focus on the therapeutic manufacturing supply chain is also likely to benefit its Patheon business. In summary, we view TMO as a strong compounder of growth with significant competitive advantages in an attractive market.

CME Group, Inc. (CME) operates exchanges which offer the widest range of global benchmark products across interest rates, equity indexes, foreign exchange, agricultural commodities, energy, and metals. CME has been experiencing an increasing degree of competitive pressure in multiple product complexes. This pressure has resulted in market share loss, casting doubt on the company's ability to continue growing earnings at a double-digit annual rate going forward.

Dexcom, Inc. (DXCM) manufactures continuous glucose monitors (CGM) for diabetes patients. While we still view the company as very well positioned in the diabetes technology market, a salesforce restructuring created headwinds in a critical distribution channel leading to a significant reduction in growth. We believe that DXCM may recover from this issue in time but used the opportunity to reduce the Portfolio's overweight to medical devices.

Procter & Gamble Company (PG) is a leading consumer goods company producing branded products in a variety of categories. Many of these brands are household names, including Crest and Tide. PG has been faced with an increasingly difficult operating environment as costs remain elevated and consumers are increasingly selective with their purchases. As a result, organic growth has been decelerating and is expected to remain weak in the near-term.

Roper Technologies, Inc. (ROP) is a diversified holding company that operates a portfolio of market leading vertical software and technology enabled products for a variety of defensible niche markets. Management has struggled to deliver the promised level of organic growth across its software businesses due to cyclical headwinds and softer customer demand. We believe the roadmap to a growth reacceleration commensurate with our investment thesis is not clear at this point.

Freeport-McMoRan, Inc. (FCX) is a leading international mining company that operates geographically diverse assets with significant proven and probable mineral reserves of copper, gold, and molybdenum. FCX's revenues are derived primarily from copper sales and are therefore heavily dependent on the price of copper. The near-term outlook for copper prices has become bleaker due to a weak Chinese macroeconomy, where roughly half of the world's copper is consumed.

Congress Asset Management Co. Large Cap Growth Composite 1/1/2014 – 12/31/2023

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P 500 Return % (dividends reinvested)	Russell 1000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P 500 3-Yr annualized ex-post St Dev (%)	Russell 1000 Growth 3-Yr St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ milions)	Total Firm Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2023	31.9	31.5	26.3	42.7	18.7	17.3	20.5	201	1.03	366	12,146	8,514	20,660
2022	-21.6	-21.9	-18.1	-29.1	21.2	20.9	23.5	171	0.86	242	10,083	6,799	16,882
2021	26.1	25.6	28.7	27.6	16.4	17.2	18.2	154	0.92	205	12,778	8,018	20,796
2020	28.0	27.5	18.4	38.5	17.3	18.5	19.6	150	1.27	258	10,746	5,523	16,269
2019	34.4	33.9	31.5	36.4	11.5	11.9	13.1	114	0.82	207	8,445	4,083	12,528
2018	2.5	2.1	-4.4	-1.5	10.5	10.8	12.1	80	0.3	136	7,102	3,132	10,234
2017	27.2	26.6	21.8	30.2	9.9	9.9	10.5	78	0.58	111	7,272	3,274	10,546
2016	5.6	5.1	12.0	7.1	10.7	10.6	11.2	81	0.43	98	5,693	2,445	8,139
2015	2.8	2.2	1.4	5.7	11.1	10.5	10.7	28	0.49	65	5,941	1,153	7,094
2014	10.1	9.5	13.7	13.1	10.1	9.0	9.6	30	0.47	89	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 – 12/31/22. 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 Large Cap Growth 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 Large Cap Growth Composite was created on January 1, 1993 and the inception date of the composite 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 $100 thousand (US dollars) managed in the large cap growth style for a minimum of one full month. The large cap growth strategy invests in the equity of high-quality companies with market capitalizations greater than $5 billion exhibiting consistent earnings growth. The strategy may also invest from time to time in equity securities with capitalizations between $1 billion and $5 billion. 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 taxable accounts, private client accounts, or accounts with less than $1 million. The primary composite benchmark is the S&P 500 Index. The secondary benchmark is the Russell 1000 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. 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 Large 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. 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.