CONGRESS
ASSET MANAGEMENT COMPANY

Multi-Cap Growth Portfolio

Commentary | 3Q24 | Managed Accounts

Highlights

- The Congress Multi Cap Growth Portfolio ("the Portfolio") returned 4.8% (net of fees) vs 6.0% for the S&P 1500 Index ("the Index").
- We made several changes throughout the quarter, seeking to upgrade our holdings. We sold several stocks due to increased competitive pressures, exposure to macroeconomic uncertainty, and stock specific factors (i.e changes in leadership and faulty product updates). These holdings were replaced with positions that we believe have better growth prospects.
- Our holdings in Financials aided absolute returns, particularly positions in investment management and insurance. Industrials also aided absolute returns. This was partially offset by weakness in Consumer Staples.
- We invest in companies with established profitability, a history of earnings growth, positive free cash flow, and prudent use of debt and leverage.

Portfolio Review

- The Portfolio benefited from its Financials holdings, particularly Hamilton Lane, a private asset management firm, which saw strong quarterly results driven by growth in fees on client fund performance. Kinsale Capital, a specialty insurance provider, also outperformed as operating EPS growth beat expectations on better-than-expected loss ratios. Within Industrials, Cintas aided as it continues to report healthy earnings growth despite concerns of labor market softness.
- Consumer Staples detracted mainly due to e.l.f Beauty. e.l.f continues to generate growth and gain market share but underperformed as sales growth has moderated from the dramatic levels it had achieved in recent quarters. While our Technology holdings overall contributed to returns, Crowdstrike was one of the largest detractors as it experienced a global service outage due to a faulty product update.
- The Portfolio has historically limited turnover quarter-over-quarter, but activity was elevated this quarter.
  - We sold several holdings on company specific events and exposure to macro uncertainty, adding stocks that we believe have more resilient growth prospects.
  - We increased and diversified our exposure to Technology.

Outlook

- The fourth quarter is likely to see elevated volatility, particularly given the upcoming election and uncertainty around the pace and timing of Fed rate cuts.
- We believe long-term investors will continue benefit from portfolio diversification.
  - 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 (10/31/2010)
Multi-Cap Growth Composite (Gross)	4.9	17.8	33.0	6.2	15.8	13.1	10.9
Multi-Cap Growth Composite (Net)	4.8	17.6	32.7	5.9	15.4	12.7	10.5
S&P 1500	6.0	21.3	35.5	11.5	15.6	13.1	10.9

Past performance does not guarantee future results.

Data is as of 9/30/2024. Sources throughout this presentation: Congress Asset Management, Bloomberg, 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%
Fair Isaac Corp.	3.67
Hamilton Lane, Inc.	2.54
Fortinet, Inc.	2.12
Sherwin-Williams Co.	2.22
Cintas Corp.	2.56

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
e.l.f. Beauty, Inc.	1.54
Crowdstrike Holdings, Inc.	0.48
Edwards Lifesciences Corp.	0.82
Simulations Plus, Inc.	1.17
ASML Holding N.V.	1.66

Fair Isaac Corporation (FICO) is a global analytics company specializing in credit scoring and risk management. FICO reported strong quarterly results with accelerating software bookings. Management is confident in raising prices on mortgage products next year and has authorized an additional $1 billion in share buybacks.

Hamilton Lane, Inc. (HLNE) provides private asset investment solutions, including advisory, analytics, and asset management services. HLNE reported solid quarterly results, driven by significant growth in incentive fees from client fund performance. HLNE now has an unrealized performance fee backlog exceeding $1 billion, creating a substantial tailwind for the coming years.

Fortinet, Inc. (FTNT) is a global cybersecurity leader. FTNT showed significant profit growth this quarter driven by higher-margin software products. Management also reassured investors that order patterns are normalizing and expects top-line growth to accelerate through year-end.

e.l.f. Beauty, Inc. (ELF) is a leading cosmetics company offering affordable, high-quality products. While ELF's sales growth continues to outpace the broader beauty category, its growth rate has slowed as the company matures, leading to a decline in stock value.

Crowdstrike Holdings, Inc. (CRWD) is a cybersecurity provider specializing in endpoint, cloud, identity, and data protection, experienced a global service outage this quarter due to a faulty product update. The incident could significantly impact its sales pipeline and require customer compensation. As a result, the stock was sold from the Portfolio.

Edwards Lifesciences Corp., (EW) a leader in structural heart repair devices, faced slower growth due to a downturn in the transcatheter aortic valve replacement (TAVR) market and increased competition. The position was sold, as sustained headwinds from alternative procedures that are more efficient for surgeons and financially attractive for physicians and hospitals are expected.

Portfolio Activity

Purchases	Sector	Sales	Sector
O'Reilly Automotive, Inc.	Consumer Discretionary	Crowdstrike Holdings, Inc.	Information Technology
IBM Corp.	Information Technology	The Home Depot, Inc.	Consumer Discretionary
Vericel Corporation	Health Care	Pool Corp.	Consumer Discretionary
Okta, Inc.	Information Technology	Edwards Lifesciences Corp.	Health Care
		Lululemon Athletica, Inc.	Consumer Discretionary

O'Reilly Automotive, Inc. (ORLY) is one of the largest specialty automotive aftermarket parts retailers in the U.S., serving both do-it-yourself consumers and professional service providers. ORLY is gaining market share in the expanding auto aftermarket due to superior inventory availability and delivery speed. The company is also poised to benefit from a growing and aging vehicle fleet.

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Purchases continued

IBM Corp. (IBM) provides a variety of products and services including hardware, software, security, and infrastructure management. IBM has improved its financial profile by shedding slower growing and lower profitability businesses while adding more attractive software businesses. It is also exposed to several appealing secular trends such as hybrid cloud and artificial intelligence through its comprehensive product sets.

Vericel Corporation (VCEL) is a leading provider of cell therapies for cartilage repair and skin replacement in the sports medicine and burn care markets. VCEL recently received FDA approval for an arthroscopic version of its flagship MACI product, which could significantly boost revenue growth. Additionally, we expect strong incremental margins that will enhance profit margins.

Okta, Inc. (OKTA) is a leading provider of identity and access management solutions for securing enterprise workforces. The company benefits from key trends like cloud migration and Zero Trust security frameworks. Additionally, OKTA is expanding its identity platform to enter adjacent markets and drive revenue growth.

Sales continued

The Home Depot, Inc. (HD) is the world's largest home improvement retailer. As consumers continue to postpone large home improvement projects, HD reported another quarter of negative same-store sales and lowered its outlook for the year. Expectations remain subdued, with an uncertain timeline for a positive turnaround due to the lag between initial interest rate cuts and a rebound in home improvement demand. The position was sold as a result.

Pool Corp. (POOL) is the largest wholesale distributor of swimming pool and related backyard products. Persistently weak demand for new pool construction that is expected to continue for the remainder of the year caused management to lower their outlook. The combination of a challenging environment and multi-year high valuation levels prompted the sale of this position.

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Lululemon Athletica, Inc. (LULU) designs and sells premium athletic apparel. Rapid store expansion and competition from brands like Alo Yoga and Vuori have raised concerns. Additionally, the departure of its Chief Product Officer in May might signal a potential shift in product strategy. The position was sold due to these factors.

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)	S&P 1500 Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P Composite 1500 3-Yr annualized ex-post St Dev (%)	S&P 500 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)
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) assetsCongress 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 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 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.