

Small Cap Value Portfolio

Commentary | 3Q24 | Managed Accounts

Highlights

- The Congress Small Cap Value Portfolio (“the Portfolio”) returned 12.6% (net) vs 10.2% for the Russell 2000 Value Index (“the Index”). Year to date, the Portfolio returned 12.6% (net) vs 9.2% for the Index.
- Value outperformed Growth in small caps, driven by strong performance in Financials on falling rates and Communication Services, which was buoyed by demand for bandwidth.
- Relative outperformance was fueled by Consumer Discretionary and Financials, but the Portfolio also had strong returns in Industrials and Energy. This was partially offset by selection Health Care.
- The Portfolio has outperformed the Index over the trailing 1yr, 3yr, 5yr, 10yr, and since inception periods, net of fees. Since inception, the Portfolio has a 100% up capture and 93% down capture and has compounded capital 4.2x vs 3.5x for the Index, net of fees.

Portfolio Review

- We take an all-weather approach and aim to be market and sector neutral to the Index. Timing growth and value cycles is difficult, and we seek to outperform the Index across cycles. We combine traditional value investing in less innovative sectors (such as Energy and Utilities) while emphasizing relative value and competitive positioning in more innovative sectors (such as Technology and Health Care)
- Index returns were strongly positive in July, particularly in the 2nd half of the month as expectations for Fed rate cuts increased on softer labor market data while inflation continued to moderate. Returns were modestly negative in August as market turmoil early in the month was mostly offset by a stronger-than-expected earnings season. September was positive following the Fed rate cut.
 - We kept pace with the Index in July and outperformed the rest of the quarter, particularly in August as our Portfolio had a strong earnings season.
- The Portfolio benefited from its Consumer Discretionary holdings, particularly Modine Manufacturing which continues to benefit from growing HVAC demand in data centers and secular growth drivers of AI, EVs, and energy efficiency. Within Financials, Western Alliance aided performance as net interest income and margins came in above guidance on strong balance sheet growth.
- Health Care detracted from relative performance, particularly Pacira Biosciences which saw FDA approval of a generic version of one its leading drugs and was sold from the Portfolio. Technology also detracted, driven

Portfolio Review continued

- by Napco Security Technologies. While Napco had disappointing quarterly results, we continue to believe the company has strong prospects and the stock has contributed to year-to-date performance.
- We added positions in Technology, Energy, Consumer Discretionary, and Health Care during the quarter. Three of the sales during the quarter were due to companies either being acquired or growing beyond the Portfolio’s market cap range.

Outlook

- We believe the outlook for value-oriented sectors, particularly Financials and Energy, remains compelling. Banks look attractive on relative valuation, underappreciated quality, and leverage to further rate cuts, and Energy on valuation and continued strength in oil and gas prices.
 - Value remains relatively cheap to Growth as the price to book premium of the Russell 200 Value is -1 standard deviation cheap to the Russell 2000 Growth and -1.5 standard deviations cheap to the Russell 1000 Growth.
- We remain focused on companies with stronger balance sheets and better cash flows that can better navigate economic uncertainty.
 - In less innovative sectors, we look for companies that can navigate higher interest rates and take advantage of higher oil prices.
 - In more innovative sectors, we look for companies that can fund new product research and maintain their competitive advantages in a volatile economic environment.

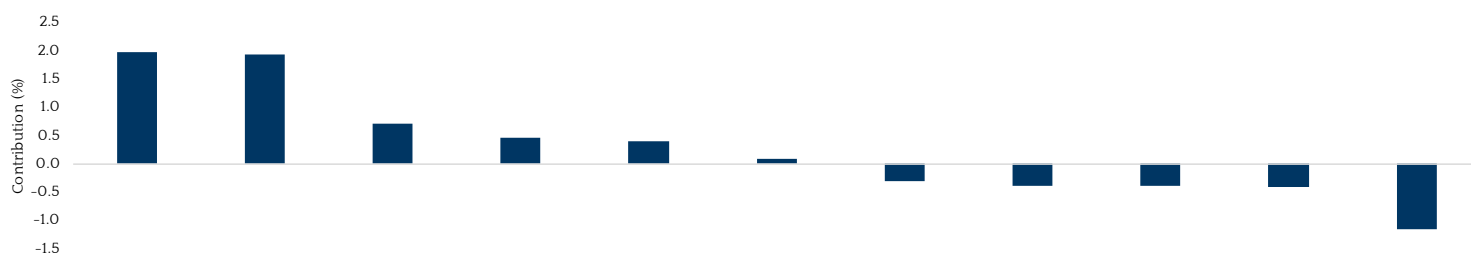
Average Annualized Performance (%) as of 9/30/2024

	QTD	YTD	1 Yr	3 Yrs	5Yrs	10 Yrs	Since Inception (11/1/2010)
Small Cap Value Composite (Gross)	12.9	13.4	31.7	7.4	13.1	9.4	12.0
Small Cap Value Composite (Net)	12.6	12.6	30.4	6.4	12.0	8.3	11.0
Russell 2000 Value®	10.2	9.2	25.9	3.8	9.3	8.2	9.4

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



	Cons Disc	Financials	Industrials	Energy	Materials	Utilities	Cons Staples	Real Estate	Comm Svcs	Info Tech	Health Care
Allocation Effect	0.02	-0.14	0.03	-0.23	0.05	0.03	0.03	-0.09	-0.35	0.02	-0.04
Selection Effect	1.97	2.08	0.68	0.70	0.35	0.05	-0.33	-0.29	-0.04	-0.42	-1.12
Total Effect	1.98	1.94	0.71	0.47	0.40	0.08	-0.31	-0.38	-0.39	-0.40	-1.16

Top 5 Contributors/Detractors

Stock	Avg. Weight%
Western Alliance Bancorp.	3.65
The Bancorp, Inc.	2.41
Modine Manufacturing Co.	2.70
Mueller Industries, Inc.	3.01
Patrick Industries, Inc.	2.65

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Napco Security Technologies, Inc.	1.68
Pacira Biosciences, Inc.	0.22
MYR Group, Inc.	1.09
Matador Resources Co.	1.42
Talos Energy, Inc.	1.06

Western Alliance Bancorporation (WAL) is a regional bank headquartered in Phoenix, AZ. Second quarter net interest income and net interest margin came in ahead of prior guidance from management due to better-than-expected balance sheet growth. These growth trends are expected to persist through the end of 2024, leading management to increase full year guidance metrics.

The Bancorp, Inc. (TBBK) provides private label banking services to digital lenders, fintech companies, and other businesses without banking charters. TBBK reported strong second-quarter results, with minimal loan losses alleviating concerns about its commercial real estate lending concentration. Additionally, positive trends in net interest income and loan growth led management to raise its full-year earnings per share guidance.

Modine Manufacturing Co. (MOD) produces heat transfer and storage products for HVAC and refrigeration in data centers. Growing investor confidence in the size and longevity of Modine's opportunities in this market has led to a higher equity valuation for the stock.

Napco Security Technologies, Inc. (NSSC) is a leader in commercial and residential alarm, radio, and locking systems. Recent quarterly results indicated stagnant growth in the fire radio business, raising concerns about progress toward long-term targets. However, continued growth in annualized recurring revenue and margin expansion supports the company's prospects.

Pacira BioSciences, Inc. (PCRX) is a leader in non-opioid pain management, with three commercialized treatments: EXPAREL, ZILRETTA, and iovera. The stock declined after the FDA approved generic production for EXPAREL, leading to its sale from the Portfolio during the quarter.

MYR Group, Inc. (MYRG) is a leading specialty contractor for electric utility infrastructure and commercial and industrial construction in the U.S. and Canada. The company reported an operating earnings loss in the second quarter due to project inefficiencies that pressured margins. However, a substantial backlog of work is expected to drive earnings growth as execution improves over time.

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
Smartsheet, Inc.	Information Technology	TriNet Group, Inc.	Information Technology
Solaris Energy Infrastructure, Inc.	Energy	Wingstop, Inc.	Consumer Discretionary
Lumen Technologies, Inc.	Communication Services	ChampionX Corp.	Energy
Meritage Homes Corp.	Consumer Discretionary	Pacira Biosciences, Inc.	Health Care
MoonLake Immunotherapeutics	Health Care	Coherent Corp.	Information Technology
		The Simply Good Foods Co.	Consumer Staples

Smartsheet, Inc. (SMAR) provides collaboration applications for enterprise workforces. Smartsheet allows users to handle ad hoc or unstructured projects that have traditionally been managed through emails, documents, and spreadsheets. SMAR is poised to achieve durable growth due to its large addressable market, developing enterprise sales force, and leading workflow automation solutions.

Solaris Energy Infrastructure, Inc. (SEI) is an oilfield services company focused on improving wellsite performance. SEI specializes in developing all-electric equipment that automates the low-pressure section of oil and gas well completion sites. The company's recent acquisition of Mobile Energy Rentals represents a nascent avenue for growth and enables SEI to use well head energy to power micro grid solutions for data centers behind the grid.

Lumen Technologies, Inc. (LUMN) is a technology and communications company offering a wide range of integrated products and services that support network connectivity. While the stock's current valuation reflects challenges in the company's growth, a new partnership with Microsoft to expand network capacity, along with the potential for similar deals driven by increasing AI demands on data centers, present promising growth catalysts for the coming years.

Meritage Homes Corp. (MTH) is the fifth-largest homebuilder in the U.S., specializing in entry-level and first move-up homes. The growth outlook for homebuilders is supported by a shortage of housing supply in the U.S., as new household formations continue to outpace new construction. Meritage has been able to mitigate some of the pressure on consumers caused by high interest rates by offering incentives, which has helped shift demand from the existing home market to new construction.

MoonLake Immunotherapeutics (MLTX) is a clinical state biotechnology company that develops therapies to address significant unmet needs in inflammatory skin and joint diseases. MLTX is dedicated to advancing SLK, a drug which holds the potential for disease modification in dermatology and rheumatology. Moonlake envisions its product reaching millions globally, offering improved treatment through its unique small size and albumin binding site.

TriNet Group, Inc. (TNET) is a leading provider of comprehensive human capital management solutions tailored for small and medium-sized businesses. Increased healthcare utilization and cost inflation have pushed insurance claims costs higher while pressuring the company's profit margin. It is not clear when these headwinds will abate and therefore visibility into earnings growth for the medium-term has been reduced.

Wingstop, Inc. (WING) has a menu centered around classic and boneless wings and the company's double-digit unit growth makes it one of the faster growing restaurant franchisors in the U.S. WING has continued to deliver strong revenue and earnings growth but was sold due to reaching the Portfolio's market cap guidelines.

ChampionX Corp. (CHX) is an oilfield service and equipment provider with a global footprint and product set that caters to the production phase of oil wells, thus producing lower earnings cyclicality and stronger through-cycle EBITDA. In April, CHX announced an agreement to be acquired by Schlumberger in an all-stock transaction.

Pacira Biosciences, Inc. (PCRX) is the therapeutic area leader in non-opioid pain management with three commercialized treatments: EXPAREL, ZILRETTA, and Iovera. The position was sold following the FDA's approval of generic production for EXPAREL, a pivotal decision that dramatically curtailed PCRX's growth potential as the drug accounts for 80% of the company's revenues.

Coherent Corp. (COHR) is a vertically integrated manufacturing company that develops, manufactures, and markets engineered materials, optoelectronic components and devices, and lasers for use in the industrial, communications, electronics, and instrumentation markets. The position was sold due to reaching the Portfolio's market cap guidelines.

The Simply Good Foods Company (SMPL) is a food and beverage company offering nutritious snacks and beverages. While its Quest brand continues to grow and gain market share, the Atkins brand has been disappointing, experiencing declining sales and market share deterioration.

Congress Asset Management Co. Small Cap Value Composite 1/1/2014 - 12/31/2023

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 2000 Value Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex- post St Dev (%)	Russell 2000 Value 3-Yr annualized ex- post St Dev (%)	Number of Portfolios	Gross Disper- sion %	Total Com- posite 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	17.2	16.0	14.7	20.2	21.8	9	0.15	400	12,146	8,514	20,660
2022	-12.3	-13.1	-14.5	27.2	27.3	7	0.12	324	10,083	6,799	16,882
2021	33.4	32.2	28.3	25.7	25.0	6	n/a	367	12,778	8,018	20,796
2020	8.8	7.8	4.6	27.1	26.1	≤5	n/a	197	10,746	5,523	16,269
2019	26.2	25.1	22.4	16.5	15.7	≤5	n/a	185	8,445	4,083	12,528
2018	-15.5	-16.3	-12.9	15.7	15.8	≤5	n/a	235	7,102	3,132	10,234
2017	16.9	15.8	7.8	13.9	14.0	≤5	n/a	244	7,272	3,274	10,546
2016	18.4	17.2	31.7	15.4	15.7	≤5	n/a	283	n/a	n/a	n/a
2015	-7.6	-8.4	-7.5	13.6	13.7	≤5	n/a	266	n/a	n/a	n/a
2014	6.2	5.2	4.2	12.5	13.0	≤5	n/a	0.4	n/a	n/a	n/a

#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 Small Cap Value Composite was created on March 31, 2014 and the inception date is November 1, 2010. Performance prior to September 15, 2017 was generated by Century Capital Management, LLC. Performance prior to March 1, 2014 was generated before the Portfolio Manager became affiliated with Century Capital Management, LLC. The Portfolio Manager was the only individual responsible for selecting securities to buy and sell and the investment decision-making process remained intact. Accordingly, composite performance is linked to performance generated prior to March 1, 2014. Because CAM acquired certain strategies of Century Capital Management, LLC on September 15, 2017, Total Firm Assets are shown as n/a for periods prior to the acquisition date. All portability requirements with respect to GIPS have been met. The composite includes all fully discretionary portfolios with a value over \$100 thousand (US dollars) managed in the small cap value style for a minimum of one full month. The small cap value strategy generally invests in the equity of companies with market capitalizations between \$50 million and \$5 billion or that are within the range of the Russell 2000 Value Index (at the time of purchase) that trade at a discount to intrinsic value or whose earnings growth is under appreciated by the street. Prior to October 1, 2017, there was no minimum value for inclusion. The composite contained proprietary non-fee-paying assets which represented 100% of total composite assets as of December 31, 2014 and 0.14% of composite assets as of December 31, 2015 and 0.17% as of December 31, 2016. The benchmark is the Russell 2000 Value 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 January 1st, 2021, net of fees returns are calculated by reducing monthly gross returns by 1/12th of the maximum applicable annual management fee, which is 0.95%. Effective January 1st, 2021, net of fee returns are calculated on a daily basis by reducing the daily gross return by a daily equivalent of the highest stated management fee. For periods ended on or before March 31, 2011, the maximum applicable management fee was 1% on the first \$50 million. For periods beginning after March 31, 2011, the maximum applicable management fee is 0.95% on the first \$50 million of assets. 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 2011 and 2012 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 typically 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.