CONGRESS ASSET MANAGEMENT COMPANY

Portfolio Commentary

2Q 2021

Multi-Cap Growth Portfolio

Market Review

The U.S. is shaking off the COVID restraints. The domestic economy is roaring driven by pent up consumer demand, continued low interest rates, and government stimulus. Demand is outpacing supply stretching the economy at the seams and raising concerns that a supply shock could bring inflation. We are in the early stages of what is likely to be an extended economic expansion, one that is more robust and broader than recent expansions.

Financial and commodity markets largely reflected the heightened growth outlook. The S&P 500 returned approximately 8.5% in the second quarter and has increased more than 15% this year, driven more by industrial, financial, and materials companies than by technology companies. Many commodities prices continued this year's run, although they have come off the boil lately. Bonds rallied, relieving inflation concerns for now. The U.S. Treasury 10-year Note yield fell from 1.75% to near 1.50% at quarter end.

The end of pandemic induced restrictions is unleashing economic forces not seen since the end of World War II. Exuberance is palpable. People enjoy socializing without masks! Sporting events draw spectators and flights draw passengers. Rush hour and vacation traffic again snarl roadways.

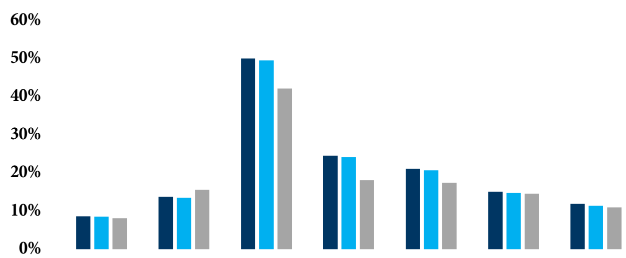
There are at least three strong pillars supporting this expansion: a strong consumer, a long-delayed capex cycle, and government spending. The fiscal stimulus should not be discounted as it topped 15% of GDP in 2020 and should total over 10% in 2021. A further $1.2 trillion is expected to be approved this summer. Fiscal programs enacted during the pandemic largely worked to stabilize American workers and families. New programs will further enhance spending but seem to be motivated, at least in part, to meet political objectives.

Performance Overview

The Congress Multi-Cap Growth Portfolio (the Portfolio) returned 8.60% (gross of fees) during the quarter, while the S&P 1500 Index ("the Index") returned 8.14%.

Portfolio holdings Pool Corporation, InMode Ltd., Edwards Lifesciences Corporation, DexCom, Inc., and Illumina, Inc. contributed to performance. However, CEVA, Inc., Digital Turbine, Inc., Global Payments Inc., Simulations Plus, Inc., and Walt Disney Company detracted from performance.

Annualized Returns % as of 6/30/2021



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception 7/1/2003
Multi-Cap Growth (Gross)	8.6	13.7	50.0	24.5	21.1	15.1	11.9
Multi-Cap Growth (Net)	8.5	13.5	49.5	24.1	20.7	14.7	11.4
S&P 1500	8.1	15.6	42.1	18.1	17.4	14.6	11.0

This information is supplemental to the GIPS Report

Information is as of 6/30/2021. Sources: 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 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. 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. Performance returns of less than one year are not annualized. [1]The information shown is for a representative account as of 6/30/2021. Actual client account holdings and sector allocations may vary.

Second Quarter 2021 Highlights

Top 5 Stock Contributors and Detractors

Contributors

Stock	Avg. Weight%	Contribution%
Pool Corporation	2.17	0.61
InMode Ltd.	1.88	0.53
Edwards Lifesciences Co.	2.05	0.45
DexCom, Inc.	0.84	0.44
Illumina, Inc.	1.77	0.40

Detractors

Stock	Avg. Weight%	Detraction%
CEVA, Inc.	1.02	-0.48
Digital Turbine, Inc.	0.88	-0.48
Global Payments, Inc.	1.85	-0.12
Simulations Plus, Inc.	0.90	-0.12
Walt Disney Company	2.09	-0.11

Pool Corporation (POOL) is the largest distributor of outdoor swimming pool supplies and services, in addition to products and services for backyard landscaping. POOL has posted stellar financial results as consumers continue to invest in their existing pools and install new pools. The company has executed operationally, maintaining superior in-stock levels at a time when supply chains are challenged.

InMode Ltd. (INMD) is a leading global medical aesthetics company; its devices enable minimally invasive procedures using radio frequency (RF) technology. The demand for INMD products continues to be robust, especially for its recently launched hands-free products. Guidance reflects the continued adoption of RF technology, with product pipeline opportunities in new categories like OB-GYN, ophthalmology, ear nose, and throat, and dermatology.

Edwards Lifesciences Corporation (EW) is an innovator in the design, development, and manufacturing of products used for structural heart diseases, critical care, and surgical monitoring. The company reported better than expected quarterly results driven by strength across various businesses, particularly TAVR (transcatheter aortic valve replacement). As a result, management raised full year guidance. Separately, EW's board of directors authorized an additional $1 billion share repurchase program.

DexCom, Inc. (DXCM) is a medical device manufacturing company that designs, develops, and commercializes continuous glucose monitoring systems for ambulatory use by people with diabetes. Its products include Dexcom G4 PLATINUM System, DexCom G5 Mobile, DexCom Share, and Mobile apps. The company reported an earnings estimate beat and raise due to strong volume growth.

Illumina, Inc. (ILMN) is a global leader in sequencing and array-based solutions for genetic analysis. The stock's outperformance was driven by excellent quarterly results that came in ahead of preannounced guidance. The company's business is beginning to recover from the pandemic as revenue from sequencing consumables rose 25%. As a result, management raised its full year outlook.

CEVA, Inc. (CEVA) licenses its technology to semiconductor manufacturers while its current royalty base primarily serves handset baseband demand. Supply chain issues in the semiconductor industry could negatively impact the company's royalty revenues. In addition, CEVA continues to wait for a ramp up from one of its major radio access network customers. As a result, the stock was sold.

Digital Turbine, Inc. (APPS) is a software platform serving the advertising market for mobile app downloads. Its marketing platforms offer a more effective and cost-efficient alternative to the traditional app store. Competition has been slowly increasing, which could prove challenging for APPS to continue to generate above average growth. The stock was sold from the Portfolio.

Global Payments, Inc. (GPN) is a leading pure play payment technology company providing payment and software solutions to approximately 3.5 million merchant locations and over 1,300 financial institutions globally. Despite reporting better than expected quarterly results, management did not raise full year guidance, which they have historically done.

Simulation Plus, Inc. (SLP) develops software that provides modeling and simulation for the pharmaceutical and biotechnology, industrial chemicals, cosmetics, food ingredients, and herbicide industries. Despite reporting good quarterly results, full year guidance was reaffirmed and not raised, as management expects growth in the second half of 2021 to normalize.

Walt Disney Company (DIS) is a diversified international family entertainment and media enterprise operating through four business segments: Media Networks, Parks & Resorts, Studio Entertainment, and Consumer & Interactive Media. Concerns regarding the slowdown of Disney+ subscription growth caused the stock's underperformance. However, revenue from the Parks and Experience segment exceeded expectations, fueled by the pandemic recovery.

2Q 2021 Transaction Summary

Sector Allocation Changes	Purchased	Sold
• Increase in Industrials • Decrease in Information Technology	• DexCom, Inc. (DXCM) - Health Care • Expeditors International of Washington, Inc. (EXPD) - Industrials • Penn National Gaming, Inc. (PENN) - Consumer Discretionary • Onto Innovation, Inc. (ONTO) - Information Technology	• Alexion Pharmaceuticals, Inc. (ALXN) - Health Care • CEVA, Inc. (CEVA) - Information Technology • D.R. Horton, Inc. (DHI) - Consumer Discretionary • Digital Turbine, Inc. (APPS) - Information Technology

Purchased

DexCom, Inc. (DXCM) is a medical device manufacturing company engaged in the design, development, and commercialization of continuous glucose monitoring systems for ambulatory use by people with diabetes. Its products include the Dexcom G4 PLATINUM System, DexCom G5 Mobile, DexCom Share, and Mobile apps. As a technology leader, DXCM is well positioned to succeed in the large and underpenetrated glucose monitoring market. Growth will be driven by patient satisfaction from better outcomes compared to finger sticks and competitive products, improved access through pharmacies, and partnerships with the leaders in the insulin delivery market.

Expeditors International of Washington, Inc. (EXPD) is a global logistics firm that supports the movement and strategic positioning of goods by purchasing air and ocean cargo space from carriers and reselling that space to its customers. Other services include customs brokerage, order management, time-definite transportation, warehousing, and distribution. EXPD operates a defensive asset light business model with exceptionally strong financial metrics. Given its global reach and strong local market presence, the company leverages its access to carrier capacity to provide shippers with lower costs than they would otherwise obtain. With air and ocean freight capacity tighter than it has ever been, EXPD is positioned to drive significant earnings growth and secure new business wins.

Penn National Gaming, Inc. (PENN) is a leading, diversified, multi-jurisdictional owner and manager of gaming and racing properties, retail, and online sports betting operations and video gaming terminals. Through its partnerships with DraftKings, PointsBet, theScore, and the Stars Group, PENN is expanding sports betting and iGaming in various states. In addition, its stake in Barstool Sports provides PENN access to Barstool Sports' database of over 60 million sports enthusiasts, 60% of whom are interested in sports betting.

Onto Innovation, Inc. (ONTO) provides semiconductor fabrication equipment including process control, metrology, and lithography systems and software used by semiconductor wafer and advanced packaging device manufacturers. Demand for its systems has been fueled by the increasing complexity of the equipment required for wafer fabrication due to advanced foundry/logic and NAND flash. Its advanced packaging business is seeing an uplift from new and complex device architectures. The recent acquisition of Rudolph Technologies has provided new market opportunities, customer breadth, and cost synergies.

Sold

Alexion, Inc. (ALXN) is a global biopharmaceutical company focused on serving patients and families affected by rare diseases through innovation, development, and commercialization of life-changing therapies. ALXN shareholders voted to approve the previously announced agreement to be acquired by AstraZeneca. The transaction is expected to close in the third quarter of 2021.

CEVA, Inc. (CEVA) licenses its technology to semiconductor manufacturers, while its current royalty base primarily serves handset baseband demand. Supply chain issues in the semiconductor industry could negatively impact the company's royalty revenues. In addition, CEVA continues to wait for a ramp up from one of its major radio access network customers.

D.R. Horton, Inc. (DHI) is a home construction company that sells single-family homes primarily in the entry-level market. It also offers mortgage financing and title agency services to buyers. Rising lumber prices (due to insufficient supply) have pushed home prices to new highs, making affordability more challenging for home buyers.

Digital Turbine, Inc. (APPS) is a software platform serving the advertising market for mobile app downloads. Its marketing platforms offer a more effective and cost-efficient alternative to the traditional app store. Competition has been slowly increasing, which could make it challenging for APPS to continue to generate above average future growth.

Positioning

Investments are predicated on a company's future prospects rather than economic or market cycles. We seek companies with strong fundamentals and emphasize earnings growth consistency, free cash flow and solid balance sheet metrics. There were four purchases and four sales during the quarter, and they are reflective of this philosophy. These combined transactions essentially increased the Portfolio's Industrials weighting while reducing its Information Technology weighting.

Outlook

Consumers remain the primary economic force spending about 19% more in May than a year ago. Consumers' willingness to spend is matched by ability and confidence. Compensation was up close to 10% from last year and consumer net worth is at a record high.

Sales are likely held back by supply constraints. Manufacturers are struggling to produce enough product to satiate demand. The entire supply chain is challenged, exhibited by the well-publicized semi-conductor shortage. Goldman Sachs estimates that the semi-conductor shortage affects 169 industries ranging from automobiles to kitchen appliances and electronic devices, but the problem is far larger than one component. The U.S. does not have enough willing workers. From truck drivers to waitstaff, capacity is limited by worker availability.

In this regard, some readings of the work force are misleading. The

Information is as of 6/30/2021

unemployment rate remains elevated and employment stands about 7 million below pre-pandemic levels. However, the Bureau of Economic Activity's April report was full of positive readings including a record 9 million jobs available. Close to 4 million people voluntarily quit their jobs in April, a record high that reflects a bullish outlook for wages and job advancement. Similarly, involuntary separations were 1%, a record low. The reluctance of some to work should wane as pandemic inspired payments expire and child-care capacity returns.

Corporate America is responding to the dearth of workers. After a year of retrenchment, companies are investing to meet demand. Enticed by ultra-low interest rates, companies have re-capitalized their balance sheets, are awash in cash, and have reduced interest obligations. The Institute of Supply Management's and the Philadelphia Federal Reserve Bank's May surveys indicate that much of these funds will be spent on capital equipment and supply chain infrastructure to alleviate current backlogs and meet future demand. This "capex" cycle appears to have legs and should help realign productive resources for today's economy. A similar story is likely to play out in Europe and Japan.

There is little chance, in our view, that the economy falters here. Corporate earnings should grow double digits and even state and local governments are flush with cash. The major economic risk is inflation. Long dormant, measures of inflation are rising. The Federal Reserve Board's (Fed) preferred measure of inflation, the core PCE deflator, measured 3.4% in May. The Fed targets an "average" inflation rate of 2%. While the latest reading is significantly higher than the 2% target, the Fed suggests that conditions driving the elevated rate are transitory and will dissipate as supply constraints recede. Investors should hope that the Fed's words speak louder than their actions.

In the past, notably the late 1970's-1980's, the Fed raised short term interest rates to break inflation's back. Now the Fed is trying to manage inflation by professing their vigilance while maintaining policies intended to push inflation higher – targeting a federal funds interest rate of 0% to 0.25% and purchasing $120 billion of treasuries and mortgage securities per month. Recently, the Fed's purchasing of Treasuries has equaled issuance, helping keep long interest rates depressed. Interest rates will likely rise before the Fed begins tapering its asset purchases, perhaps early next year.

As we move past the pandemic and the associated lockdowns, important social and economic questions remain. We used our strong economic position to finance the myriad of programs to support our country. In doing so, we increased our debt to levels not seen since World War II. The upward trajectory is unsustainable and pushes pandemic costs to future generations. How we assess these costs is becoming increasingly important to the markets. Debt remediation is likely to include higher taxes. The structure and form of any tax increases will affect economic growth and inflation. There is no simple fix and so far Congress has largely avoided the issue.

The immediate risk is that our economy is growing faster than its potential which may cause systemic inflationary pressures. Stocks will likely outperform bonds in this environment, however volatility is likely to increase for most asset classes as investors digest the growth/inflation paradigm.

Congress Asset Management Co. Multi-Cap Growth Composite 1/1/2011 - 12/31/2020

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P Composite 1500 Return % (dividends reinvested)	S&P 500 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)
2020	39.6	39.1	17.9	18.4	20.7	18.9	18.5	30	0.81	324	10,746	5,523	16,269
2019	33.4	32.9	30.9	31.5	13.4	12.1	11.9	27	0.80	242	8,445	4,083	12,528
2018	-3.4	-3.8	-5.0	-4.4	12.4	11.0	10.8	23	0.32	187	7,102	3,132	10,234
2017	25.4	24.9	21.1	21.8	10.3	9.9	9.9	23	0.51	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
2013	31.2	30.7	32.8	32.4	12.6	12.2	11.9	≤5	n/a	127	6,489	978	7,467
2012	15.9	15.5	16.2	16.0	16.7	15.4	15.1	≤5	n/a	100	6,755	743	7,498
2011	1.8	1.5	1.8	2.1	18.2	19.1	18.7	≤5	n/a	87	6,329	685	7,014

#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 – 12/31/20. The verification reports(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 Advisors 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 and a list of broad distribution pooled funds 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, not does it warrant the accuracy or quality of the content contained herein.