

# DIVIDEND GROWTH STRATEGY

Strategy Inception 10/31/2010

Managed Accounts | 1Q 2025

## Firm Overview

Founded	1985
Investment Professionals	25
Enterprise Assets*	\$659mm
Total Strategy Assets*	\$21.8bn

\*Totals include model management assets.

## Key Investment Tenets

<b>Growth</b>	<ul style="list-style-type: none"> <li>Positive revenue and earnings growth</li> <li>Strong competitive position in stable, expanding industry</li> </ul>
<b>Profitability</b>	<ul style="list-style-type: none"> <li>Positive earnings</li> <li>Free cash flow positive</li> <li>Established profit margins</li> </ul>
<b>Franchise</b>	<ul style="list-style-type: none"> <li>Management focused on core business and aligned with stakeholders' interests</li> <li>Prudent use of debt and leverage</li> </ul>
<b>Valuation</b>	<ul style="list-style-type: none"> <li>Evaluate relative to history, peers, and economic conditions</li> </ul>

## Characteristics

as of 3/31/2025

	Dividend Growth Composite	S&P 500®
P/E Trailing 12 months	23.5x	24.0x
Dividend Yield %**	1.71	1.38
Median Market Cap	\$139.7bn	\$35.6bn
Number of Equity Holdings***	40	503

## Risk Characteristics\*\*

10/31/2010 - 3/31/2025

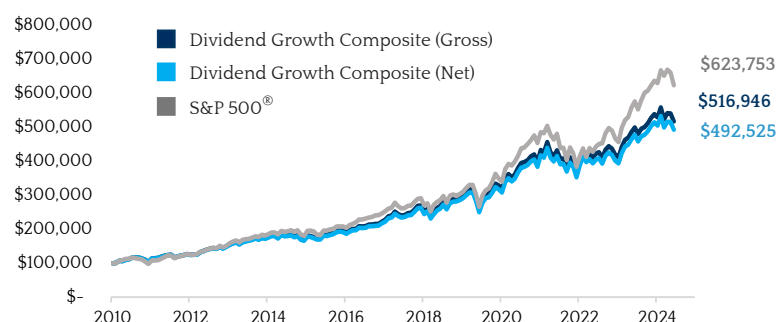
	Dividend Growth Composite (Gross)	S&P 500®
Standard Deviation	13.24	14.26
Beta	0.89	1.00
Sharpe Ratio	0.83	0.87
Alpha	-0.13	--
Up Capture Ratio	90.1	100.0
Down Capture Ratio	90.8	100.0

\*\*Characteristics are gross of fees and are computed without the deduction of fees and expenses.

## Portfolio Construction

- 35 to 45 securities
- Market capitalization at initial purchase of at least \$1 billion
- Industry exposure not to exceed 25% and no more than 5% to any one security, in general
- Fully invested with a cash allocation not in excess of 5%, in general
- Average annual turnover of 15-25%
- Focus on companies with:
  - Growth of dividends commensurate with earnings
  - At least four dividend increases in the last 5 years, in general

## Growth of \$100,000 10/31/2010 through 3/31/2025



## Average Annualized Performance % as of 3/31/2025

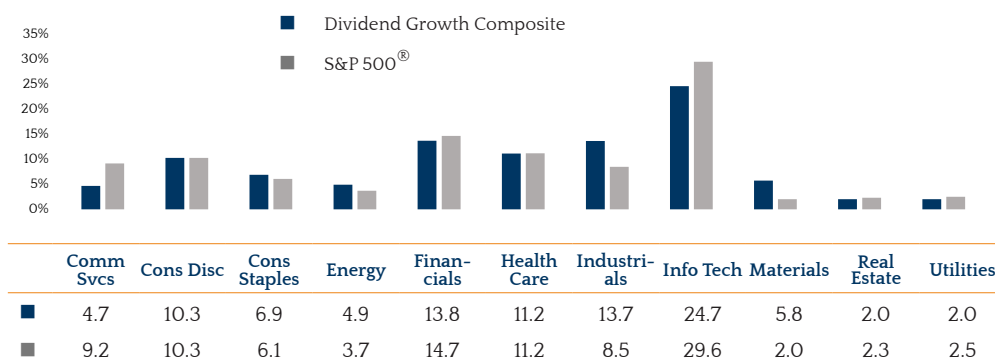
	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception 10/31/2010
Dividend Growth Composite (Gross of Fees)	-1.3	-1.3	3.4	6.2	14.9	11.0	12.1
Dividend Growth Composite (Net Fees)	-1.4	-1.4	3.1	5.8	14.6	10.6	11.7
S&P 500®	-4.3	-4.3	8.3	9.1	18.6	12.5	13.5

## Past performance does not guarantee future results.

Data is as of 3/31/2025. 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. 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. Performance is preliminary and subject to change at any time. \*\*\*Based on Model Portfolio.

## Top 10 Holdings as of 3/31/2025

Cintas Corp.	3.8
Apple, Inc.	3.7
JPMorgan Chase & Co.	3.4
Visa, Inc.	3.2
Broadridge Financial Solutions, Inc.	3.1
Microsoft Corp.	3.1
Costco Wholesale Corp.	3.0
Stryker Corp.	3.0
Allstate Corp.	3.0
Tractor Supply Co.	2.9
<b>Total:</b>	<b>32.3</b>

GICS Sector Allocation<sup>1</sup> vs. Benchmark % ex Cash as of 3/31/2025

Actual client account holdings and sector allocations may vary. <sup>1</sup>1.47% Cash and/or cash equivalents.

**S&P 500 Index** is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. **P/E Ratio** is the ratio of a company's share price to the company's earnings per share. **Market Capitalization** measures the number of outstanding common shares of a given corporation multiplied by the latest price per share. **Yield** is determined by dividing a stock's annual dividends per share by the current market price per share. **Dividend yield** is a financial ratio that shows how much a company pays out in dividends. **Standard Deviation** is a measure of the dispersion of a set of data from its mean. It is used by investors as a gauge for the amount of expected volatility. **Sharpe Ratio** is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical adjusted performance. **Alpha** is a measure of the difference between actual returns and expected performance, given the level of risk as measured by Beta, where Beta measures sensitivity to benchmark movements. **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the entire market or a benchmark. **Upside Capture** ratio measures the manager's overall performance to the benchmark's overall performance, considering only months that are positive in the benchmark. An **Upside Capture Ratio** of more than 100% indicates a manager who outperforms the relative benchmark in the benchmark's positive months. **Downside Capture Ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only months that are negative in the benchmark. A Downside Capture Ratio of less than 100% indicates a manager who outperforms the relative benchmark in the benchmark's negative months and protects more of a portfolio's value during down markets.

## Investment Committee

## Company Tenure

E. Martine Elie, CFA <i>Committee Chair</i>	1999
Daniel A. Lagan, CFA	1989
Ryan G. Tumbry, CFA	2001

## Congress Asset Management Co. Dividend Growth Composite 1/1/2014 - 12/31/2023

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P 500 Re- turn % (dividends reinvested)	Composite Gross 3-Yr annualized ex- post St Dev (%)	S&P 500 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	11.7	11.4	26.3	16.2	17.3	570	1.03	273	12,146	8,514	20,660
2022	-9.3	-9.5	-18.1	19.4	20.9	558	1.18	287	10,083	6,799	16,882
2021	26.2	25.7	28.7	16.2	17.2	493	0.56	300	12,778	8,018	20,796
2020	13.9	13.5	18.4	16.8	18.5	495	0.97	326	10,746	5,523	16,269
2019	33.7	33.2	31.5	11.1	11.9	394	0.86	205	8,445	4,083	12,528
2018	-0.9	-1.2	-4.4	10.3	10.8	359	0.36	161	7,102	3,132	10,234
2017	19.7	19.3	21.8	9.7	9.9	321	0.64	157	7,272	3,274	10,546
2016	13.6	13.2	12.0	10.1	10.6	254	0.46	119	5,693	2,445	8,139
2015	-2.8	-3.2	1.4	10.3	10.5	174	0.38	81	5,941	1,153	7,094
2014	11.6	11.2	13.7	8.6	9.0	111	0.29	65	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. 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 Dividend Growth Composite is November 1, 2010, 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 dividend growth style for a minimum of one full month. The dividend growth strategy invests in the equity of high-quality companies with market capitalizations greater than \$1 billion exhibiting consistent dividend growth. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016, the composite minimum was \$50 thousand (US dollars). The primary composite benchmark is the S&P 500 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. 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. 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 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.