

SMid Growth Portfolio

Commentary | 1Q25 | Managed Accounts

Highlights

- The Congress SMid Growth Portfolio (“the Portfolio”) returned -7.3% (net of fees) vs -10.8% for the Russell 2500 Growth Index (“the Index”) in 1Q25. In a reversal from 4Q24, the lowest quality stocks in the Index significantly trailed and our focus on strong fundamentals aided relative performance.
- The Portfolio’s relative outperformance was driven by broad-based security selection, with our holdings in Health Care, Technology, and Consumer Discretionary all contributing over 100bps each. This was partially offset by our holdings in Industrials, notably stocks related to data-center buildout that were hurt by concerns of a pullback in demand on the release of DeepSeek earlier in the quarter.
- 1Q25 was a quarter of two halves for the Index. The risk-on sentiment that dominated 4Q24 performance continued through mid-February as investors were optimistic about the incoming administration’s perceived pro-growth agenda. However, market sentiment soured in the second half on growing economic uncertainty. The Portfolio had a down capture ratio of 67% (gross of fees*) during the quarter.
- The Portfolio has outperformed the Index over the trailing 3yr, 5yr, and since inception periods. We have shown an ability to participate in up markets and mitigate risk in down markets, relative to the Index. Since inception, the Portfolio has a 98% up capture and 78% down capture (gross of fees*) and has compounded capital 2.7x vs 1.9x for the Index, net of fees.

Portfolio Review

- 1Q25 was a quarter of distinct halves. The Index had positive absolute returns through mid-February but growing unease over the impact of broad-based tariffs led to a sharp selloff in the back half of the quarter.
 - The Portfolio had positive returns in January but trailed the Index as lower quality stocks generally outperformed. We also saw weakness in some of our Industrials holdings with exposure to data-center buildout as the DeepSeek announcement weighed on several sectors.
 - We outperformed in February and March, and the Portfolio outperformed the Index in 1Q25 by 346bps (net of fees). The Portfolio had positive security selection across sectors, notably Health Care, Consumer Discretionary, and Technology, where our holdings outperformed the Index sectors by approximately 950bps, 1300bps, and 800bps, respectively.
 - The Portfolio benefited from its Health Care exposure, particularly Halozyme Therapeutics which reported solid 4Q24 earnings and guided to double digit forward earnings growth. Within Technology, our focus on cybersecurity aided relative returns as both CyberArk and Commvault Systems continue to see healthy growth. Consumer Discretionary also contributed, particularly Ollie’s Bargain Outlet which is benefiting from consumers focusing on more value-oriented spending.
 - Industrials was the largest detractor, particularly holdings with exposure to data-center buildout (Sterling Infrastructure, Comfort Systems, nVent Electric). Consumer Staples also modestly detracted, as positive results from BJ’s were offset by weakness in e.l.f. Beauty.
 - We continue to identify opportunities to add companies with established, durable growth profiles. In the Consumer sectors, we added Duolingo,

Portfolio review continued

a mobile learning platform with impressive user growth and strong incremental margins. We also added Instacart, which is positioned to benefit from a growing trend of convenience-seeking consumers.

Outlook

- SMid caps continue to offer an attractive value proposition.
 - SMid caps offer the stability of mid caps with the ability to participate in the outsized return potential provided by small caps.
 - The Index trades at a discount to its larger cap peers. The forward P/E of the Russell 2500 Growth relative to the Russell 1000 Growth is at a 26% discount to long term averages and a 21% discount to the Russell Midcap Growth Index, approximately 2 standard deviations cheap.
- We are committed to staying high quality and remain focused on persistent growth, profitability, and strong balance sheets. We believe this is particularly important as rates are expected to remain elevated and 20% of the Index has negative trailing earnings.
- Uncertainty around the ultimate impact of tariffs is likely to continue weighing on markets in the near-term. While our holdings are not immune, we believe our focus on high-quality stocks with strong balance sheets, a history of earnings growth, and robust free cash flow will allow the Portfolio to navigate this turbulence and mitigate downside risk.
 - Within the Consumer sectors, we have exposure to more value-oriented spending (Ollie’s, BJ’s), which should be more insulated as consumers pull back on spending.
 - Within Technology, we believe cybersecurity (CyberArk, Commvault) is a secular growth trend that will continue despite tariff implications.

Average Annualized Performance (%) as of 3/31/2025

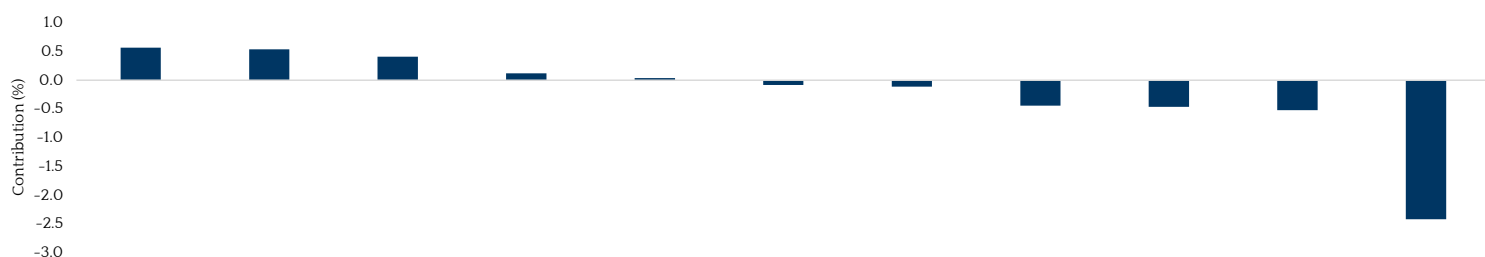
	QTD	YTD	1 Yr	3 Yrs	5Yrs	Since Inception (4/1/2017)
SMid Growth Composite (Gross)	-7.2	-7.2	-7.2	4.3	17.6	13.6
SMid Growth Composite (Net)	-7.3	-7.3	-7.7	3.9	17.2	13.2
Russell 2500 Growth [®]	-10.8	-10.8	-6.4	0.6	11.4	8.3

Past performance does not guarantee future results

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

Data is as of 3/31/2025. 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. 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* 12/31/2024 - 3/31/2025



	Health Care	Info Tech	Cons Disc	Real Estate	Comm Services	Materials	Utilities	Energy	Financials	Cons Staples	Industrials
Allocation Effect	-0.06	-0.10	0.07	0.06	0.02	-0.11	-0.09	0.06	-0.13	0.43	-0.03
Selection Effect	1.74	1.69	1.49	0.09	0.00	0.10	0.00	-0.18	-0.09	-0.70	-0.94
Total Effect	1.68	1.59	1.56	0.15	0.02	0.00	-0.09	-0.12	-0.22	-0.27	-0.97

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

Top 5 Contributors/Detractors

Stock	Avg. Weight%
BJ's Wholesale Club Holdings, Inc.	3.30
Halozyme Therapeutics, Inc.	2.70
Range Resources Corp.	2.29
Prestige Consumer Healthcare, Inc.	2.67
Duolingo, Inc.	0.37

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
e.l.f. Beauty, Inc.	1.78
Comfort Systems USA, Inc.	4.18
SPS Commerce, Inc.	2.71
Sterling Infrastructure, Inc.	2.25
Cactus, Inc.	2.34

BJ's Wholesale Club Holdings, Inc. (BJ) is a membership-only warehouse club chain that has capitalized on consumers' increasing demand for value-driven shopping in a challenging economic environment. The company has experienced growing store traffic and expanding membership, driven by consumers seeking lower prices for essential goods. These trends position BJ for continued growth as it benefits from both heightened membership renewals and increased consumer spending on necessities.

Halozyme Therapeutics, Inc. (HALO) specializes in injectable therapeutics for subcutaneous delivery and auto-injection. After underperforming last quarter, the stock has recovered as investors refocus on the company's strong core business, following an unsuccessful acquisition attempt. HALO's underlying business continues to perform well, and there is potential for additional upside driven by an ongoing intellectual property dispute related to a high-profile therapeutic, which could further enhance its market position.

Range Resources Corp. (RRC) is a domestic producer of natural gas, natural gas liquids, and oil. The company operates in the Marcellus Basin, an area of the country with a resource mix more heavily weighted towards natural gas. During Q1, RRC's stock price benefited from rising natural gas prices which is a tailwind for the company's revenues and earnings.

e.l.f. Beauty, Inc. (ELF) is a leading beauty products company known for offering high-quality cosmetics at value prices. The company continues to drive sales through product innovation, effective marketing, and expanded distribution. While ELF's sales growth has outpaced the broader beauty category, the rate of growth has slowed as the company matures, contributing to recent stock underperformance. Despite this deceleration, ELF remains well-positioned in the value-driven beauty segment with continued opportunities for market share gains.

Comfort Systems USA, Inc. (FIX) provides mechanical and electrical contracting services across non-residential markets. In its most recent quarter, FIX reported earnings growth that exceeded analyst expectations, bolstered by healthy customer order trends, positioning the company for continued growth in 2025. However, the stock saw significant declines during the quarter due to rising investor concerns around a potential slowdown in U.S. data center construction.

SPS Commerce, Inc. (SPSC) provides supply chain management solutions through its online software suite for retailers, suppliers, and logistics customers. Organic customer growth has stalled, and the company is increasingly relying on cross-selling and acquisitions to meet growth targets. These acquisitions are larger than previous deals and are dilutive to margins in the near term. However, SPSC remains confident that customer growth will return, and that margins at the acquired companies will improve over time, supporting long-term growth and profitability.

Information is as of 3/31/2025. 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
Maplebear, Inc.	Consumer Staples	KBR, Inc.	Industrials
Rambus, Inc.	Information Technology	Summit Materials, Inc.	Materials
Clearwater Analytics Holdings, Inc.	Information Technology	Parsons Corporation	Industrials
Duolingo, Inc.	Consumer Discretionary	Williams-Sonoma, Inc.	Consumer Discretionary

Maplebear, Inc. (CART), also known as Instacart, operates an app that allows consumers to place delivery orders from retailers, primarily grocery stores. With its first-mover advantage, Instacart is the leading third-party platform in grocery delivery. CART's business is expected to continue growing as delivery adoption and use cases increase.

Rambus, Inc. (RMBS) is a leading provider of chips and silicon intellectual property, holding a 40% market share in the latest generation of server memory chips. The company is poised to benefit from the upcoming server upgrade cycle and its technology is positioned to address the growing need for efficient memory solutions in data-intensive AI data centers.

Clearwater Analytics Holdings, Inc. (CWAN) develops cloud-native software that simplifies investment accounting operations. It brings modern software to an industry traditionally dominated by legacy systems that lack traceability, are costly, and require extensive manual attention. Trends such as globalization, greater allocation to alternative assets, increased regulations, and rising demand for timely risk management reports are driving demand for Clearwater's solutions.

Duolingo, Inc. (DUOL) is the leading global mobile learning platform, ranked as the top-grossing app in the Education category on both Google Play and the Apple App Store. Its unique freemium model leverages social and gaming elements to engage users, encouraging upgrades from the free version to paid premium tiers. Duolingo has shown the ability to sustain strong user and revenue growth while expanding margins. With 40 million daily active users, a small fraction of the approximately 2 billion language learners globally, there is significant opportunity for continued growth.

KBR, Inc. (KBR) is a professional services company providing science, technology, and engineering services to government and commercial customers. While KBR is well-positioned for continued growth, the stock declined this quarter due to news that the incoming Trump administration plans to reduce government spending. Given the near-term pressure on the stock, we decided to sell the position.

Summit Materials, Inc. (SUM) is a construction materials company that sells cement, asphalt, ready mix concrete, and aggregates in select domestic markets. In November 2024, SUM announced it had reached an agreement with Quikrete Holdings to be acquired in an all-cash deal for \$52.50 per share. The deal closed and SUM shares were delisted on February 11th, 2025.

Parsons Corporation (PSN) is a professional services company that provides solutions to enhance security, address global infrastructure needs, and drive digital transformation. The stock declined this quarter following news that the incoming Trump administration plans to reduce government spending. Given the near-term pressure on the stock, we decided to sell the position.

Williams-Sonoma, Inc. (WSM) is a retailer specializing in home and kitchen products, available both online and in stores. Despite the housing industry slowdown, WSM has exceeded expectations, with strategic decisions and cost controls driving margin expansion and earnings per share (EPS) growth despite falling sales. However, we believe sustaining this trend will be challenging due to tariffs, without improved sales growth, which is likely to be difficult to achieve in the current consumer environment.

Congress Asset Management Co. SMid Growth Composite 4/1/2017 - 12/31/2023

Year	Total Return Gross of Fees%	Total Return Net of Fees%	Russell 2500 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell 2500 Growth 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	18.8	18.3	18.9	19.8	21.0	195	0.56	173	12,146	8,514	20,660
2022	-21.5	-21.7	-26.2	22.8	25.2	158	0.51	96	10,083	6,799	16,882
2021	28.4	27.9	5.0	18.5	22.0	98	0.91	79	12,778	8,018	20,796
2020	50.3	49.7	40.5	20.7	23.9	47	0.62	55	10,746	5,523	16,269
2019	28.7	28.2	32.7	n/a	n/a	14	n/a	37	8,445	4,083	12,528
2018	1.3	0.9	-7.5	n/a	n/a	≤5	n/a	27	7,102	3,132	10,234
3/31/17-12/31/17	12.8	12.5	17.1	n/a	n/a	≤5	n/a	35	7,272	3,274	10,546

#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 SMid Growth Composite is April 1, 2017, 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 SMid growth style for a minimum of one full month. The SMid growth strategy invests in the equity of high-quality companies with market capitalizations between \$300 million and \$20 billion (at the time of purchase) exhibiting consistent earnings growth. Accounts with wrap commissions are excluded from the composite. The primary composite benchmark is the Russell 2500 Growth Index. The benchmark returns are not covered by the report of the 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 periods prior to 2020 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.