

# Multi-Cap Growth Portfolio

Commentary | 1Q26 | Managed Accounts

## Highlights

- The Congress Multi-Cap Growth Portfolio (the “Portfolio”) returned -7.3% (net of fees) vs -3.8% for the S&P 1500 Index (the “Index”).
- The Index saw a general broadening of leadership as 7 of 11 sectors outperformed.
- Index performance was concentrated in the more value-oriented sectors - evidenced by strong returns in Energy, Materials, Utilities, and Consumer Staples - and the Portfolio’s tilt toward growth stocks detracted from relative returns.
- We seek to invest in companies with established profitability, a history of earnings growth, positive free cash flow, and prudent use of debt and leverage.

## Portfolio Review

- Index returns started the quarter positive, as broad-based performance across sectors offset negative returns in Technology. However, the Index ended the quarter negative, driven almost entirely by the sharp sell-off in March, where Energy was the only sector with positive returns.
- The Portfolio outperformed in January aided by strong relative performance in Industrials and Financials. We trailed in February and March on weaker results in Health Care and Technology.
- Industrials was the largest contributor to Portfolio returns, notably Comfort Systems and Quanta Services. Comfort Systems continued to benefit from data center buildout and saw another quarter of organic growth, margin expansion, and increased backlog. Quanta Services, a leading provider of contract labor services for utilities and telecom, reported double digit organic revenue growth in the quarter and a record backlog on demand from both utilities and data centers. Consumer Staples also contributed, notably Costco, which delivered its fourth consecutive top and bottom-line beat and continued to manage tariff pressures and grow sales.
- Technology was the largest detractor from Portfolio returns, particularly Fair Isaac and Microsoft. Fair Isaac, best known for its flagship credit score, fell on fears of growing competition in the mortgage scoring market and regulatory overhang. Microsoft underperformed on growing caution around its elevated AI infrastructure spending. Health Care also detracted, particularly Boston Scientific, a global medical device company. While we believe the company remains a leader in medical technology, the stock fell on a continued deceleration in growth.
- During the quarter we added Eli Lilly in Health Care, which we believe has best-in-class GLP-1 drugs and maintains a robust pipeline. In Technology, we added Lam Research, a leader in etch and deposition equipment used in semiconductor manufacturing, and Broadcom, a leader in semiconductor design that could benefit from continued AI infrastructure buildout. We also added Flowserve in Industrials.

## Outlook

- We believe the case for diversification in large caps remains compelling. The Index is historically concentrated, with ~31% in the Technology sector and ~34% in the top 10 holdings. We believe the broadening trend of the first two months of the year will continue as the largest companies in the Index continue to spend record capex on AI infrastructure buildout.
- While the Iran conflict has increased uncertainty, we believe the Portfolio is well-positioned and has exposure to areas of the economy with potentially durable, long-term growth drivers.
  - We maintain more direct AI exposure (Apple, Palantir) as well as “picks and shovels” holdings in Industrials (Comfort Systems, Quanta), Technology (Arista, Amphenol, Credo), Materials (Martin Marietta), and Energy (Cameco). We also have exposure to the strong semiconductor cycle (Lam Research, Broadcom).
  - Within the Consumer sectors, we own companies that may benefit from value-oriented spending (Costco) and consumers keeping vehicles longer (O’Reilly).

## Average Annualized Performance (%) as of 3/31/2026

	QTD	YTD	1 Yr	3 Yrs	5Yrs	10 Yrs	Since Inception (10/31/2010)
Multi-Cap Growth Composite (Gross)	-7.2	-7.2	11.0	14.0	6.9	12.6	10.5
Multi-Cap Growth Composite (Net)	-7.3	-7.3	10.6	13.7	6.5	12.2	10.1
S&P 1500	-3.8	-3.8	17.9	17.8	11.6	13.8	10.8

## Past performance does not guarantee future results.

Data is as of 3/31/2026. 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 and sector weightings 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. Performance is preliminary and subject to change at any time. Specific investments described herein do not represent all investment decisions made by Congress Asset Management. The reader should not assume that investment decisions identified and discussed were or will be profitable.

## Top 5 Contributors/Detractors

Stock	Avg. Weight%
Comfort Systems USA, Inc.	4.02
Quanta Services, Inc	3.29
ASML Holding N.V.	2.51
Costco Wholesale Corp.	2.83
Garmin Ltd.	1.79

**Comfort Systems USA, Inc. (FIX)** provides mechanical and electrical contracting services. FIX delivered another quarter of exceptional organic revenue growth (35%), margin expansion, and free cash flow of \$403 million (more than \$1 billion for the full year 2025) despite difficult comparisons. FIX's backlog of new work continued to increase, leading to higher earnings expectations in the years ahead.

**Quanta Services, Inc. (PWR)** is a leading provider of contract labor services, primarily for the electric and gas utility and telecom markets. PWR reported double-digit organic revenue growth for Q4 2025, driven by a record backlog and accelerating demand from both regulated utilities and the rapidly expanding data center sector.

**ASML Holding N.V. (ASML)** designs and manufactures highly specialized lithography equipment used to print the intricate patterns that underpin modern semiconductor production. Strong quarterly results reinforced confidence in the demand for advanced semiconductor manufacturing tools. Continued adoption of extreme ultraviolet (EUV) lithography in memory manufacturing, combined with a growing order backlog, provides clear multi-year visibility.

## Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Fair Isaac Corp.	1.86
Boston Scientific Corp.	1.68
Microsoft Corp.	2.30
Credo Technology Group Holding Ltd.	1.26
Repligen Corp.	1.18

**Fair Isaac Corp. (FICO)** provides data analytics solutions and is best known for its flagship credit score. Recent underperformance reflected concerns about a potential deterioration in its competitive positioning, driven by fears that VantageScore could gain share in mortgage scoring. Investors are also a bit cautious about FICO's new mortgage direct licensing model that allows mortgage lenders to bypass traditional credit organizations.

**Boston Scientific Corp. (BSX)** is a leader in the medical technology industry, with a diversified portfolio of devices and tools. BSX has experienced rapid growth in its electrophysiology business, reflecting strong adoption of its advanced product offerings. However, quarterly results for the segment fell short of expectations and pointed to moderating growth, which weighed on the stock.

**Microsoft Corp. (MSFT)** offers a broad suite of computer applications, cloud solutions, and cybersecurity products. This quarter's underperformance reflects growing investor caution around Microsoft's elevated capital expenditures to build Artificial Intelligence (AI) related infrastructure. Investors are also concerned that MSFT's generative AI assistant, Copilot, may be lagging competing AI assistants.

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## Portfolio Activity

Purchases	Sector	Sales	Sector
Flowserve Corp.	Industrials	Workday, Inc.	Information Technology
Broadcom, Inc.	Information Technology	HealthEquity, Inc.	Health Care
Lam Research Corporation	Information Technology	Repligen Corp.	Health Care
Eli Lilly & Co.	Health Care	Trimble, Inc.	Information Technology
		Tractor Supply Company	Consumer Discretionary
		e.l.f. Beauty, Inc.	Consumer Staples
		Dynatrace, Inc.	Information Technology

**Flowserve Corp. (FLS)** manufactures pumps, valves, and flow control equipment for energy and water infrastructure. FLS's large installed base has underpinned a recurring aftermarket service revenue stream. We feel that the company's recent acquisition of Trillium Valves expands its content further into the global investment in power generation infrastructure. FLS also achieved its 2027 adjusted operating margin target two years ahead of schedule and has a 2030 target that estimates margin growth and double-digit EPS growth.

**Broadcom, Inc. (AVGO)** is a leader in semiconductor design and enterprise infrastructure software, with leading positions in custom silicon and networking connectivity. AVGO is an important partner in the AI infrastructure buildout, where custom chip design, advanced packaging, and networking come together at scale. AVGO has provided clear visibility into significant multi-year AI revenue growth and has a solid margin profile.

**Lam Research Corporation (LRCX)** is a dominant provider of etch and deposition equipment used in semiconductor manufacturing. Demand across foundry, memory, and advanced packaging is converging simultaneously, driving LRCX's share of total semiconductor equipment spending higher. These demand drivers support a strong earnings outlook, in our view.

**Eli Lilly & Co. (LLY)** discovers, develops, and markets pharmaceutical products. Zepbound and Mounjaro are best-in-class assets that could continue to grow. Lilly is also expected to launch an oral GLP-1 offering, and it maintains a robust early-stage pipeline targeting a broad range of therapeutic indications.

**Workday, Inc. (WDAY)** provides cloud based software for human capital management and financial planning. WDAY's growth profile has deteriorated, guidance has been disappointing and margins are pressured as AI disrupts software future earnings and multiples.

**HealthEquity, Inc. (HQY)** provides tax-advantaged healthcare savings accounts and related services. HQY is highly sensitive to interest rates, and expectations for future yields have declined.

**Repligen Corp. (RGEN)** is a leading provider of bioprocessing fluid management solutions used in the manufacturing of biological drugs. RGEN's operating environment continues to face several headwinds, and any reacceleration in growth remains dependent on those headwinds abating.

**Trimble, Inc. (TRMB)** provides software and hardware solutions that improve productivity across construction, agriculture, and industrial markets. TRMB was pressured by macroeconomic concerns, weak product cross-selling, and operational risk from go-to-market changes.

**Tractor Supply Company (TSCO)** is a specialty retailer selling livestock feed, pet supplies, tools, and seasonal goods. Recent quarterly results were disappointing, as TSCO missed expectations and lowered its outlook due to slowing same-store sales and weaker demand for higher-ticket, discretionary items.

**e.l.f. Beauty, Inc. (ELF)** is a multi-brand beauty company offering accessible cosmetics and skincare through its core e.l.f. brand, Naturium, and the recently acquired rhode. ELF growth has moderated. ELF is lapping prior shelf-space gains at key retailers including recent international launches. While rhode is performing well, expectations appear elevated, and organic growth trends have softened.

**Dynatrace, Inc. (DT)** provides software that enables enterprises to monitor and manage the performance of complex digital systems. DT was sold due to concerns over decelerating growth, increasing competition, and DT management expressing interest in large-scale M&A.

## Congress Asset Management Co. Multi-Cap Growth Composite 1/1/2015 - 12/31/2024

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P Composite 1500 Return % (dividends reinvested)	Russell 3000 Growth % (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)
2024	20.8	20.4	24.0	32.5	21.1	17.3	20.3	28	0.65	365	14,207	9,471	23,678
2023	30.2	29.9	25.5	41.2	20.9	17.4	20.3	29	0.53	325	12,146	8,514	20,660
2022	-27.5	-27.7	-17.8	-29.0	24.2	21.1	23.4	32	0.45	287	10,083	6,799	16,882
2021	22.6	22.1	28.5	28.7	19.2	17.5	17.2	34	0.64	403	12,778	8,018	20,796
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

#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 – 12/31/24. 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.

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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 the 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.

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Large Companies Risk: The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. Large-capitalization companies may also be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes.

Growth Style Investment Risk: Growth stocks may lose value or fall out of favor with investors. Growth stocks may be more sensitive to changes in current or expected earnings than the prices of other stocks.

Equity Securities Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value. These fluctuations may cause a security to be worth less than its cost when originally purchased or less than it was worth at an earlier time.

Sector-Focus Risk: Investing a significant portion of the Strategy's assets in one sector of the market exposes the Strategy to greater market risk and potential monetary losses than if those assets were spread among various sectors.

General Market Risk: Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Securities in the Strategy's portfolio may underperform in comparison to securities in the general financial markets, a particular financial market, or other asset classes due to a number of factors, including: inflation (or expectations for inflation); deflation (or expectations for deflation); interest rates; global demand for particular products or resources; natural disasters or events; pandemic diseases; terrorism; regulatory events; other governmental trade or market control programs and related geopolitical events. In addition, the value of the Strategy's investments may be negatively affected by the occurrence of global events such as war, terrorism, environmental disasters, natural disasters or events, country instability, and infectious disease epidemics or pandemics.

Foreign Investment Risk: Foreign securities involve increased risks due to political, social and economic developments abroad, as well as due to differences between U.S. and foreign regulatory practices. When the Strategy invests in ADRs as a substitute for an investment directly in the underlying foreign shares, the Strategy is exposed to the risk that the ADRs may not provide a return that corresponds precisely with that of the underlying foreign shares.

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The [S&P 1500 Index](#) measures the performance of widely available, liquid stocks in U.S. equity market. It combines three leading indices — S&P 500 Index, S&P MidCap 400 Index, and S&P SmallCap 600 Index, to cover approximately 90% of the U.S. market capitalization. Indices are unmanaged, do not reflect fees and expenses and are not available for direct investment. [Bloomberg Magnificent 7 Total Return Index](#) is an equal-dollar weighted equity benchmark consisting of a fixed basket of 7 widely-traded companies classified in the United States and representing the Communications, Consumer Discretionary and Technology sectors as defined by Bloomberg Industry Classification System (BICS) [P/E Ratio](#) is the ratio of a company's share price to the company's earnings per share. [The Forward P/E Ratio](#), or forward price-to-earnings ratio, is a valuation metric that divides a company's current stock price by its estimated earnings per share (EPS) for the next 12 months. It provides an indication of how much investors are willing to pay for each dollar of a company's projected future earnings. [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.