Portfolio Commentary

Highlights

- The Congress Large Cap Growth Portfolio ("the Portfolio") returned 3.9% (net of fees) vs 8.3% for the Russell 1000 Growth Index ("the Index") in 2Q24. Index performance was heavily concentrated, with 65% of the return coming from Apple and NVIDIA. Our diversified Portfolio with guardrails of ~5% position sizes underperformed.
- Security selection in Consumer Staples, particularly in stocks with more resilience to an uncertain consumer environment, aided relative performance. This was offset by the Portfolio's Technology holdings, particularly an underweight to Apple and NVIDIA, which were over 20% of the Index's market capitalization at the end of the quarter.
- Our Portfolio has similar expected earnings growth as the Index over the next 12 months (+14.8% vs +15.2%) with better diversification.
- Our Portfolio has shown an ability to participate in up markets and mitigate risk in down markets, relative to its Index. Since inception, the Portfolio has delivered an 88% upside capture and 76% downside capture (net of fees).

Economic Review

- Artificial Intelligence (AI) dominated investor psyche and drove market performance during the quarter. Market sentiment was also supported by the expectation of a continued expansion, a rebound in corporate earnings, and Fed interest rate cuts.
- We believe the transition to lower interest rates will be slow and longer-term rates are likely to remain elevated, which will have significant investing implications.
- The US economy's underpinnings remain constructive, fortified by continued strength in the labor market, a healthy consumer, and strong corporate balance sheets.
- Despite anticipated volatility, domestic markets remain attractive. Stocks should benefit from continued spending and, for those seeking current income, short and intermediate bonds offer attractive yields.

Portfolio Review

- In a reversal from last quarter, Index leadership narrowed as performance was largely driven by mega-cap Tech names. The top five stocks accounted for over 80% of the return and only 17% of Index constituents outperformed.
- The Portfolio benefited from its Consumer Staples holdings, particularly Costco which had strong earnings and increased store traffic. Within Healthcare, Boston Scientific contributed to relative performance as results showed double digit organic growth and management raised forward guidance.
- Technology was the largest detractor from relative performance. Weakness in some of our holdings hurt performance, particularly Salesforce which reported disappointing results and guidance. Our underweights to the largest stocks in the Index also detracted, particularly Apple and NVIDIA which were 65% of the Index's return. We own both stocks but at lower weights given our diversification guidelines. This detracted ~150bps from relative performance.

Portfolio Review continued

- We made several changes in the quarter to upgrade our holdings. We replaced stocks more exposed to macro uncertainty with positions we believe have more predictable and resilient outlooks.

Outlook

- Index concentration levels are at all-time highs, both from a sector and security perspective. Technology is now ~50% of the Index and the top ten stocks are ~60%.
- Given narrow market leadership, valuations of market cap weighted indices are trading at historically rich levels.
  - The forward P/E of the S&P 500 is trading at a ~130% premium to the equal weight index, almost 3 standard deviations above its long-term average.
- We believe long-term investors will continue to benefit from portfolio diversification. The Portfolio holds the largest stocks in the Technology sector that drove Index performance, however, we also maintain broad exposure across sectors and themes.
  - The Portfolio has direct exposure to AI through large chipmakers but is also well positioned to benefit from growth of data centers, reshoring of US manufacturing, and Industrial buildout.
- We invest in companies with established profitability, a history of earnings growth, positive free cash flow, and prudent use of debt and leverage.

Average Annualized Performance (%) as of 6/30/2024

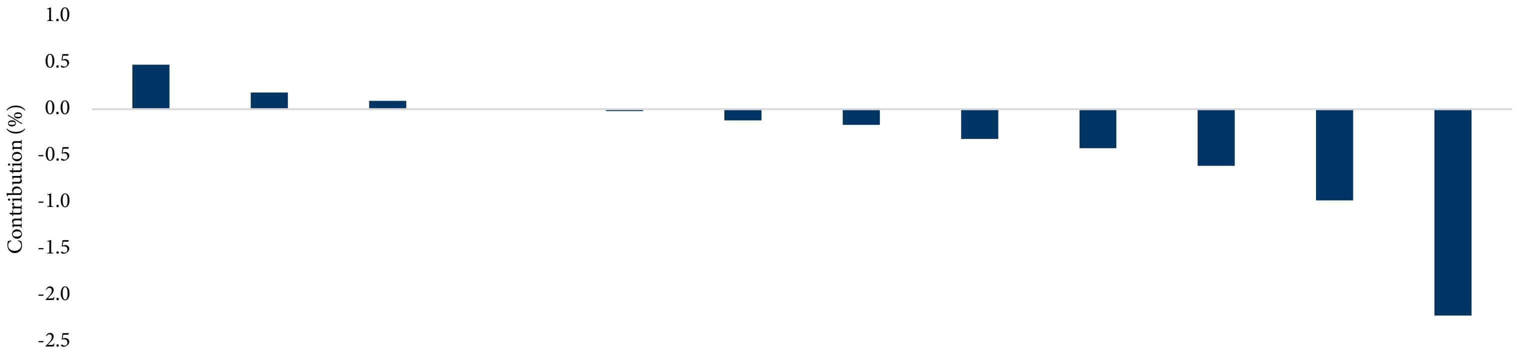
	QTD	YTD	1 Yr	3 Yrs	5Yrs	10 Yrs	Since Inception (1/1/1985)
Large Cap Growth Composite (Gross)	4.0	16.5	29.6	10.6	15.9	14.5	12.8
Large Cap Growth Composite (Net)	3.9	16.3	29.2	10.2	15.5	14.0	12.0
Russell 1000 Growth®	8.3	20.7	33.5	11.3	19.3	16.3	12.1

Past performance does not guarantee future results.

Data is as of 6/30/2024. Sources throughout this presentation: Congress Asset Management, FactSet, 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[1]

3/31/2024 – 6/30/2024



	Cons Staples	Financials	Real Estate	Utilities	Cons Disc	Energy	Health Care	Comm Services	Cash	Industrials	Materials	Info Tech
Allocation Effect	-0.10	-0.12	0.09	0.00	0.40	-0.07	-0.18	-0.23	-0.42	-0.45	-1.06	-0.76
Selection Effect	0.59	0.30	--	--	-0.42	-0.04	0.01	-0.09	--	-0.16	0.08	-1.46
Total Effect	0.48	0.18	0.09	0.00	-0.02	-0.12	-0.17	-0.32	-0.42	-0.61	-0.98	-2.22

Top 5 Contributors/Detractors

Stock	Avg. Weight%
NVIDIA Corporation	5.74
Apple, Inc.	3.46
Alphabet, Inc. Class A	3.76
Eli Lilly and Company	3.79
Costco Wholesale Corporation	3.69

NVIDIA Corporation (NVDA) is a leading semiconductor company that focuses on chips for gaming, artificial intelligence (AI) and other advanced computing functions. NVDA continues to deliver strong results due to demand for its AI-related chips. The company sees this supply/demand imbalance lasting well into 2025.

Apple, Inc. (AAPL) is one of the world's largest technology and consumer electronics companies. All-important iPhone results were better than expected in the company's fiscal second quarter. AAPL also announced a partnership with OpenAI, the maker of ChatGPT, marking a significant step towards launching an AI-enabled iPhone.

Alphabet, Inc. (GOOGL) is a global technology leader focused on how people connect with information. The company reported solid quarterly results, with accelerated revenue growth. At its developer conference, GOOGL reshaped the narrative around artificial intelligence through product announcements and significant investments. Despite these investments, Google has increased its operating leverage and expects this trend to continue through the end of the year.

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
DexCom, Inc.	3.15
Salesforce, Inc.	1.84
Darden Restaurants, Inc.	1.04
Old Dominion Freight Line, Inc.	0.84
Accenture Plc	0.79

Dexcom, Inc. (DXCM) manufactures continuous glucose monitors (CGM) for patients with diabetes. Intra-quarter commentary from management regarding changes made to the sales force has capped the upside to consensus estimates for 2Q 2024 in the eyes of the market. However, we believe DXCM has very strong long-term prospects in its core diabetes market as well as in the wellness market with the recent approval of over-the-counter CGM.

Salesforce.com, Inc. (CRM) provides cloud-based customer relationship management solutions. In its most recent quarter, CRM reported disappointing results and guidance, with revenue growth decelerating and an expected further slowdown in the coming quarter due to delayed new deals. Despite this, Salesforce has maintained its margin improvement pace and is well-positioned to benefit from increased AI adoption.

Darden Restaurants, Inc. (DRI) owns and operates full-service dining restaurants such as Olive Garden, LongHorn Steakhouse, Capital Grille, Yard House, and others. The casual dining industry has faced declining traffic as consumer discretionary spending has decreased. In addition, increased promotional activity within the industry has intensified competitive pressures. While DRI had previously outperformed the industry, its relative performance advantage has been diminishing, prompting concerns about its future results. As a result, the position was sold during the quarter.

Information is as of 6/30/2024. Sources: Congress Asset Management and Factset Research Systems. 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. [1]The information shown is for a representative account as of 6/30/2024.

Portfolio Activity

Purchases	Sector
ONTO Innovation, Inc.	Information Technology
Howmet Aerospace, Inc.	Industrials
Netflix, Inc.	Communication Services
Ecolab, Inc.	Materials
Vertex Pharmaceuticals, Inc.	Health Care

ONTO Innovation, Inc. (ONTO) manufactures semiconductor fabrication equipment, including process control, metrology, and lithography systems, as well as software for semiconductor wafer and advanced packaging device manufacturers. ONTO is well-positioned to benefit from several long-term growth trends and holds strong competitive positions in markets expected to grow faster than overall chip equipment spending due to increased demand from AI-related investments.

Howmet Aerospace, Inc. (HWM) is a leading manufacturer of jet engine components, fastening systems, and airframe structural components, primarily for the commercial and defense aerospace industries. Customer demand for new airplanes is high, while the commercial aerospace supply chain has struggled to keep pace. However, as industry conditions improve, Howmet, which has established itself as a best-in-class operator in a turbulent environment, should experience an extended period of above-average earnings growth visibility.

Netflix, Inc. (NFLX) is a leading provider of streaming entertainment and a primary beneficiary of the shift from linear TV to connected TV. NFLX has matured into a self-sustaining company with healthy margins and growing free cash flow. Over the last several quarters, NFLX has been able to reaccelerate revenue growth by addressing unpaid shared accounts. In addition, the company has introduced an ad-supported tier that is quickly being adopted by consumers. Both initiatives should sustain revenue growth in the coming years.

Ecolab, Inc. (ECL) is the global leader in water, hygiene, and infection prevention solutions. ECL recently shifted its innovation strategy from emphasizing product development to emphasizing customer solutions. This refined strategy has enabled ECL to achieve greater pricing on products and services through its total value-based pricing model.

Vertex Pharmaceuticals, Inc. (VRTX) discovers, develops, and commercializes pharmaceutical products used to treat cystic fibrosis, autoimmune diseases, neurological disorders, and more. Vertex continues to grow and expand its cystic fibrosis franchise, providing a consistent growth driver for the company. Potentially significant drug pipeline developments include VX-548, which targets the treatment of acute pain as a potential replacement for over-the-counter medicines and opioids.

Sales	Sector
Adobe, Inc.	Information Technology
Accenture Plc	Information Technology
Old Dominion Freight Line, Inc.	Industrials
Darden Restaurants, Inc.	Consumer Discretionary
Chevron Corp.	Energy

Adobe, Inc. (ADBE) provides digital marketing and digital media solutions. Concerns about competitive threats from OpenAI's image and movie-generating products reignited during the quarter and are likely to persist. Adobe also delayed the pricing benefits it expected from its own generative AI products, opting to drive adoption before monetization. This decision further fuels concerns that Adobe is experiencing competitive pressures in its core business.

Accenture Plc (ACN) operates as an investment holding company providing management consulting, technology, and outsourcing services. ACN cut its guidance as its customers faced incremental budget constraints. The uncertainty in the macro environment makes it difficult for the company to accurately predict a return to more robust client spending.

Old Dominion Freight Line, Inc. (ODFL) is a leading provider of less-than-truckload freight transportation services in North America. The freight demand environment remains subdued, while competitors are aggressively investing capital to expand their service networks. This dynamic could potentially reduce the market share gains that ODFL typically experiences coming out of a downturn. Additionally, pricing gains have slowed, which may limit margin expansion in the future.

Darden Restaurants, Inc. (DRI) owns and operates full-service dining restaurants such as Olive Garden, LongHorn Steakhouse, Capital Grille, Yard House, and others. The casual dining industry has faced declining traffic as consumer discretionary spending has decreased. In addition, increased promotional activity within the industry has intensified competitive pressures. While DRI had previously outperformed the industry, its relative performance advantage has been diminishing, prompting concerns about its future results.

Chevron Corp. (CVX) is an integrated oil and gas company. CVX's planned acquisition of Hess Corporation (HES) is now at risk due to pending litigation involving CVX and other parties who share ownership of the Stabroek oil and gas field off the coast of Guyana with HES. This asset has industry-leading production margins and was a crucial target in CVX's pursuit of HES. The potential failure of the acquisition could have a negative impact on CVX's outlook for production and cash flow growth.

Congress Asset Management Co. Large Cap Growth Composite 1/1/2014 – 12/31/2023

Year	Total Return Gross of Fees %	Total Return Net of Fees %	S&P 500 Return % (dividends reinvested)	Russell 1000 Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	S&P 500 3-Yr annualized ex-post St Dev (%)	Russell 1000 Growth 3-Yr St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Discretionary Assets End of Period ($ milions)	Total Firm Advisory-Only Assets End of Period ($ millions)	Total Firm Assets End of Period # ($ millions)
2023	31.9	31.5	26.3	42.7	18.7	17.3	20.5	201	1.03	366	12,146	8,514	20,660
2022	-21.6	-21.9	-18.1	-29.1	21.2	20.9	23.5	171	0.86	242	10,083	6,799	16,882
2021	26.1	25.6	28.7	27.6	16.4	17.2	18.2	154	0.92	205	12,778	8,018	20,796
2020	28.0	27.5	18.4	38.5	17.3	18.5	19.6	150	1.27	258	10,746	5,523	16,269
2019	34.4	33.9	31.5	36.4	11.5	11.9	13.1	114	0.82	207	8,445	4,083	12,528
2018	2.5	2.1	-4.4	-1.5	10.5	10.8	12.1	80	0.3	136	7,102	3,132	10,234
2017	27.2	26.6	21.8	30.2	9.9	9.9	10.5	78	0.58	111	7,272	3,274	10,546
2016	5.6	5.1	12.0	7.1	10.7	10.6	11.2	81	0.43	98	5,693	2,445	8,139
2015	2.8	2.2	1.4	5.7	11.1	10.5	10.7	28	0.49	65	5,941	1,153	7,094
2014	10.1	9.5	13.7	13.1	10.1	9.0	9.6	30	0.47	89	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 – 12/31/23. 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. The Large Cap Growth Composite has had a performance examination for the periods 1/1/96 – 12/31/23. The verification and performance examination reports are available upon request.

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 Large Cap Growth Composite was created on January 1, 1993, and the inception date of the composite is January 1, 1985, which reflects the first full month in which 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 large cap growth style for a minimum of one full month. The large cap growth strategy invests in the equity of high-quality companies with market capitalizations greater than $5 billion exhibiting consistent earnings growth. The strategy may also invest from time to time in equity securities with capitalizations between $1 billion and $5 billion. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016, the composite minimum was $500 thousand (US dollars). Prior to September 1, 2005, the composite did not include taxable accounts, private client accounts, or accounts with less than $1 million. The primary composite benchmark is the S&P 500 Index. The secondary benchmark is the Russell 1000 Growth 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 2007 net of fees returns were calculated by reducing gross returns by 1/4th of the highest management fee in the Large Cap Growth Composite, which was 1.00%, 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. Prior to January 1, 1993, the composite is not in compliance with GIPS.

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.

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