

Mid Cap Growth Portfolio

Commentary | 3Q24 | Managed Accounts

Highlights

- The Congress Mid Cap Growth Portfolio (“the Portfolio”) returned 2.7% (net of fees) vs 6.5% for the Russell Midcap Growth Index (“the Index”) in 3Q24. Index returns have benefitted from stocks above our market cap ceiling (\$50bn), which on average outperformed the Index by almost 30% year to date.
- Selection in Health Care contributed to relative performance as our holdings outperformed the benchmark by over 700bps. Consumer Staples also contributed. Industrials detracted, though the sector remains the top contributor to year-to-date relative performance. Technology also weighed on performance, and we continue to upgrade our holdings in the sector.
- We continue to focus on companies with established profitability, a history of earnings growth, positive free cash flow, and prudent use of debt and leverage. We made several changes to the Portfolio during the quarter and added holdings we believe have more durable growth profiles.
- The 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 an 91% upside capture and 69% downside capture and has compounded capital 16x (net of fees) vs 8x for the Index.

Portfolio Review

- Index returns were positive in July, aided by increased expectations for Fed rate cuts on cooler inflation readings and an unwind out of larger Tech names. Market turmoil in the beginning of August was offset by a stronger-than expected earnings season and September saw solid returns following the Fed rate cut.
 - We outperformed early in the quarter but trailed in August and September on mixed earnings results, particularly in Technology and some of our Industrial holdings that have been top contributors year-to-date.
- The Portfolio benefitted from its Health Care holdings, particularly Resmed which saw double-digit growth and was aided by broader awareness of sleep apnea and CPAP adoption. Cooper Companies also contributed on quarterly results and forward guidance that exceeded expectations. Within Consumer Staples, US Foods, the second largest food distributor in the US, outperformed on solid quarterly earnings and accelerating market share gains.
- Industrials, which contributed over 100bps of outperformance year-to-date, weighed on relative returns during the quarter. Saia was the largest detractor in the sector as record revenue growth was offset by increased capital and operating expenditures, which we believe positions the company for long-term growth. nVent, which had another quarter of record sales and margin expansion, detracted as quarterly guidance was below estimates. Technology also detracted, particularly as the top performing stock in the Index, which contributed over 80% of the sector’s return, exceeds our market cap guidelines.

Portfolio Review continued

- We continued to make changes over the quarter to upgrade our holdings and address relative underperformance. Within Technology we added a semiconductor name that is well positioned to benefit from AI as well as a software holding. In Health Care, we added a biotech position with broad exposure to the recovery in Biopharma spending. We also added holdings in Consumer Discretionary and Materials.

Outlook

- We remain high quality and continue to focus on consistency of earnings over absolute growth, which we believe is particularly important as growth moderates and rates are expected to stay elevated.
- Year-to-date we sold 15 positions and added 14 new positions to the Portfolio. Several of the sales were to remove names that benefitted the Portfolio during COVID as well as holdings within Technology that experienced thesis deterioration. We are optimistic about the stocks we have added, particularly in Technology as we are finding companies with steadier growth profiles.
- We believe mid caps continue to offer an attractive value proposition.
 - The forward P/E of the Index relative to the Russell 1000 Growth Index is at 13% discount to long term averages, almost 2 standard deviations cheap, with similar earnings growth projections for 2025 (+20.8% vs +20.0%)
- The Portfolio maintains exposure to several themes that are expected to drive growth, including AI, data centers, reshoring, and infrastructure buildout.

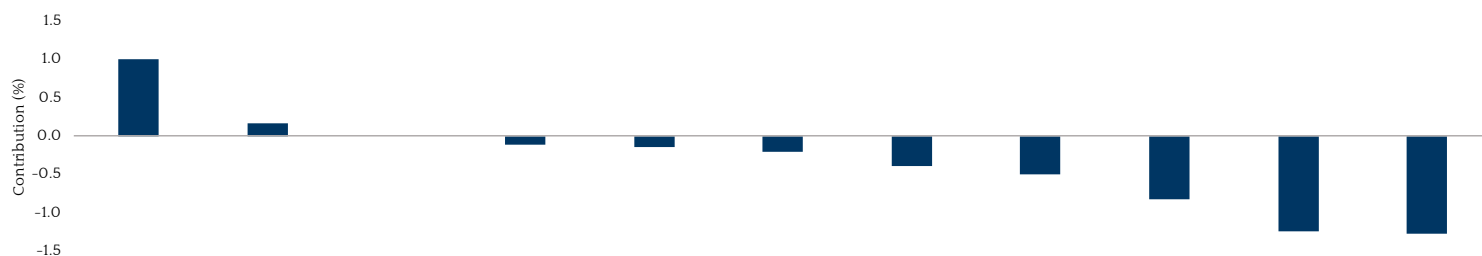
Average Annualized Performance (%) as of 9/30/2024

	QTD	YTD	1 Yr	3 Yrs	5Yrs	10 Yrs	Since Inception (10/1/1999)
Mid Cap Growth Composite (Gross)	2.8	6.3	17.9	-0.6	11.5	11.9	12.4
Mid Cap Growth Composite (Net)	2.7	5.9	17.3	-1.0	10.9	11.4	11.7
Russell Midcap Growth®	6.5	12.9	29.3	2.3	11.5	11.3	8.7

Past performance does not guarantee future results

Data is as of 9/30/2024. 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. 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 6/30/2024 - 9/30/2024



	Health Care	Financials	Cons Staples	Comm Svcs	Materials	Real Estate	Utilities	Cons Disc	Energy	Info Tech	Industrials
Allocation Effect	-0.12	-0.03	-0.61	0.05	0.03	-0.21	-0.39	-0.13	0.11	-0.06	0.22
Selection Effect	1.13	0.18	0.61	-0.15	-0.18	0.00	0.00	-0.37	-0.92	-1.18	-1.50
Total Effect	1.01	0.16	0.00	-0.11	-0.15	-0.21	-0.39	-0.50	-0.82	-1.24	-1.28

Top 5 Contributors/Detractors

Stock	Avg. Weight%
ResMed, Inc.	2.77
Cooper Companies, Inc.	2.44
Curtiss-Wright Corp.	2.35
Monolithic Power Systems, Inc.	3.23
EMCOR Group, Inc.	2.58

Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
Weatherford International Plc.	2.44
Pure Storage, Inc.	2.53
Entegris, Inc.	2.15
Qualys, Inc.	2.13
Saia, Inc.	2.54

ResMed, Inc. (RMD) is a leading provider of medical devices for treating sleep apnea, offering continuous positive airway pressure (CPAP) devices and related solutions. RMD reported solid results during the quarter, with strong margin expansion that eased concerns about potential negative impacts from GLP-1 drugs. Additionally, management made comments during an investor meeting suggesting they expect revenue growth to be significantly above forward estimates.

Cooper Companies, Inc. (COO) is a leading provider of vision correction products, medical devices, and fertility products. COO reported strong quarterly results, exceeding estimates for both revenue and earnings. Management also provided positive commentary on growth expectations for fiscal year 2025, which were above estimates. The vision correction business is performing very well, and COO is reaping the benefits of investments made over the past couple of years, driving margin expansion.

Curtiss-Wright Corp. (CW) is a diversified manufacturer of highly engineered products and critical technologies for markets including aerospace and defense, commercial nuclear power, process industries, and general industrial applications. NATO ally demand for Curtiss-Wright's tactical communication equipment contributed to earnings upside in the second quarter. Additionally, growing enthusiasm for nuclear energy as a source of baseload power generation has pushed CW's equity valuation higher.

Weatherford International Plc. (WFRD) is a leading global energy services company that provides equipment and services for drilling, evaluation, well construction, completion, production, intervention, and well abandonment. WFRD's second-quarter report missed guidance due to challenges in international markets, adding pressure on the second half of the year to meet fiscal-year targets. However, the company has introduced a capital return program and maintains an attractive outlook for profitable growth.

Pure Storage, Inc. (PSTG) is a leading provider of innovative all-flash data storage solutions. The company reported solid earnings for the second quarter but continues to highlight a more conservative enterprise budget environment, which has moderated its growth outlook. Additionally, margins were weaker due to a strategic decision to pursue market share more aggressively in the lower end of the storage market.

Entegris, Inc. (ENTG) is a leader in products, chemicals, and materials used in the semiconductor manufacturing process, aimed at improving filtration and purification, limiting contamination, and increasing production yields. As the company relies primarily on volume growth, it continues to face weaker growth and margins due to the extended market downcycle and impact of acquisitions. However, Entegris remains well-positioned to benefit from an eventual turnaround in the semiconductor market.

Information is as of 9/30/2024. 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, 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
PTC, Inc.	Information Technology	DoubleVerify Holdings, Inc.	Information Technology
Onto Innovation, Inc.	Information Technology	Keysight Technologies, Inc.	Information Technology
US Foods Holding Corp.	Consumer Staples	Darden Restaurants, Inc.	Consumer Discretionary
Halozyme Therapeutics, Inc.	Health Care	Steris Plc.	Health Care
American Eagle Outfitters, Inc.	Consumer Discretionary	Entegris, Inc.	Information Technology
AptarGroup, Inc.	Materials	Avery Dennison Corporation	Materials

PTC, Inc. (PTC) offers software solutions that transform the way physical products are engineered, manufactured, and serviced. As a leading provider of computer aided design and product life cycle management solutions, PTC benefits from industrial companies embracing digital transformation initiatives. PTC has also improved profitability and free cash flow generation by focusing on operational efficiency and market share gains.

Onto Innovation, Inc. (ONTO) manufactures essential equipment for the fabrication of semiconductor chips, including process control, metrology, and lithography systems. ONTO is well-positioned to benefit from several long-term growth trends in markets expected to outpace the overall chip industry, driven largely by rising demand from AI-related investments.

US Foods Holding Corp. (USFD) is the second-largest broadline distributor in the U.S., supplying both food and non-food items. Its customers include independent and chain restaurants, healthcare facilities, and hospitality businesses. Operating in a highly fragmented industry, USFD is well-positioned to continue gaining market share from competitors. Margins are expected to improve over time as management focuses on growing the company's more profitable business segments.

Halozyme Therapeutics, Inc. (HALO) develops products for the efficient delivery of injectable therapeutics via subcutaneous delivery and auto-injection. We believe Halozyme will continue to be an attractive partner for biopharma companies that have therapeutics requiring a long infusion administration process. HALO's partners are also launching several new products in the near term that should accelerate growth over the medium term.

American Eagle Outfitters, Inc. (AEO) is a specialty casual apparel retailer with two core brands, American Eagle (AE) and Aerie. The legacy AE brand is under new leadership and has shown improving sales results over the past year, while the newer Aerie brand continues to be a strong growth driver for the company. We believe the renewed focus on profitability that began last year will result in multi-year margin expansion.

AptarGroup, Inc. (ATR) is a leading global manufacturer in the niche dispensing and sealing solutions market, with products for beauty, home, pharma, and food & beverage markets. ATR leads or ranks second in every market it competes in by leveraging a total delivery solution instead of a commoditized product approach. This strategy positions ATR as the innovation and technology leader in its field, fueling above industry average organic growth and expanding margins.

DoubleVerify Holdings, Inc. (DV) develops software platforms for digital media measurement, data, and analytics. DV cut its guidance as it is seeing reduced spending from some of its largest customers. Additionally, customers are shifting their priorities away from core markets to newer ones like connected TV and social where DV's products earn lower fees.

Keysight Technologies, Inc. (KEYS) is a global innovator in test and measurement technology for computing, communications, and electronics markets. Cyclical weakness in customer ordering patterns, a slower revenue conversion business mix, and ongoing investments despite top-line pressures are combining to create significant uncertainty about fundamentals going forward. Additionally, a recent shift in capital allocation towards mergers & acquisitions may persist as KEYS attempts to meet its 2026 targets.

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, and increased promotional activity within the industry has intensified competitive pressure. While DRI has historically outperformed the industry, its relative performance advantage has been diminishing, prompting concerns about its future results.

Steris Plc. (STE) is a leading provider of infection prevention and procedural products and services. Although STE remains well-positioned in the sterilization market, concerns have been raised about ongoing margin pressure. Additionally, the Investment Committee sought to reduce concentration within the Portfolio.

Entegris, Inc. (ENTG) is a leader in products, chemicals, and materials used in the semiconductor manufacturing process that improve filtration and purification, limit the impacts of contamination, and increase production yields. The company has faced a slowdown in growth and contraction in margins due to a market downcycle. ENTG has also intensified this weakness by integrating a large acquisition that raised its debt levels.

Avery Dennison Corporation (AVY) is a leading provider to pressure-sensitive label and graphics industries worldwide. The company is also the world's leading provider of radio-frequency identification (RFID) inlays and tags. AVY management lowered forward revenue guidance for the RFID business during the Q2 2024 earnings call and again during the September 2024 Investor Day. Lower expectations for RFID revenue growth, alongside continued investments in the business, should be detrimental to company profit margins and earnings growth.

Congress Asset Management Co. Mid Cap Growth Composite 1/1/2014 - 12/31/2023

Year	Total Return Gross of Fees%	Total Return Net of Fees%	Russell Mid Cap Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell Mid Cap 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	17.1	16.5	25.9	19.8	21.1	745	0.62	2,535	12,146	8,514	20,660
2022	-26.7	-27.0	-26.7	23.0	24.5	758	0.81	2,307	10,083	6,799	16,882
2021	30.6	30.0	12.7	18.3	20.2	719	0.41	3,243	12,778	8,018	20,796
2020	32.0	31.4	35.6	19.8	21.5	629	1.14	2,729	10,746	5,523	16,269
2019	35.8	35.2	35.5	12.8	13.9	558	0.49	954	8,445	4,083	12,528
2018	-3.5	-3.9	-4.8	12.2	12.8	506	0.45	850	7,102	3,132	10,234
2017	17.7	17.2	25.3	10.8	10.9	447	0.65	763	7,272	3,274	10,546
2016	13.9	13.3	7.3	12.0	12.2	105	0.54	431	5,693	2,445	8,139
2015	1.9	1.4	-0.2	11.4	11.3	50	0.42	221	5,941	1,153	7,094
2014	13.0	12.4	11.9	10.8	10.9	41	0.51	145	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. 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 Mid Cap Growth Composite has had a performance examination for the periods 10/1/99 – 12/31/22. 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 creation and inception date of the Mid Cap Growth Composite is October 1, 1999, 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 mid cap growth style for a minimum of one full month. The mid cap growth strategy invests in the equity of high-quality companies with market capitalizations between \$800 million and \$15 billion (at the time of purchase) 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). Prior to September 1, 2005, the composite did not include private client accounts or accounts with less than \$1 million. The primary composite benchmark is the Russell Midcap 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. The % of the composite represented by non-fee paying accounts at annual period end was 100% 1999-2001, 36% in 2002, 20% in 2003, 15% in 2004, 13% in 2005, 22% in 2006 and 18% in 2007. 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 Mid 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.

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. The management fee schedule and expense ratio for the Mid Cap Growth Fund Institutional Shares is 0.60% and 0.79%, respectively. The management fee schedule and expense ratio for the Mid Cap Growth Fund Retail Shares is 0.60% and 1.04%, respectively. The management fee schedule for the Mid Cap Growth Collective Investment Trust is 0.68%.

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.