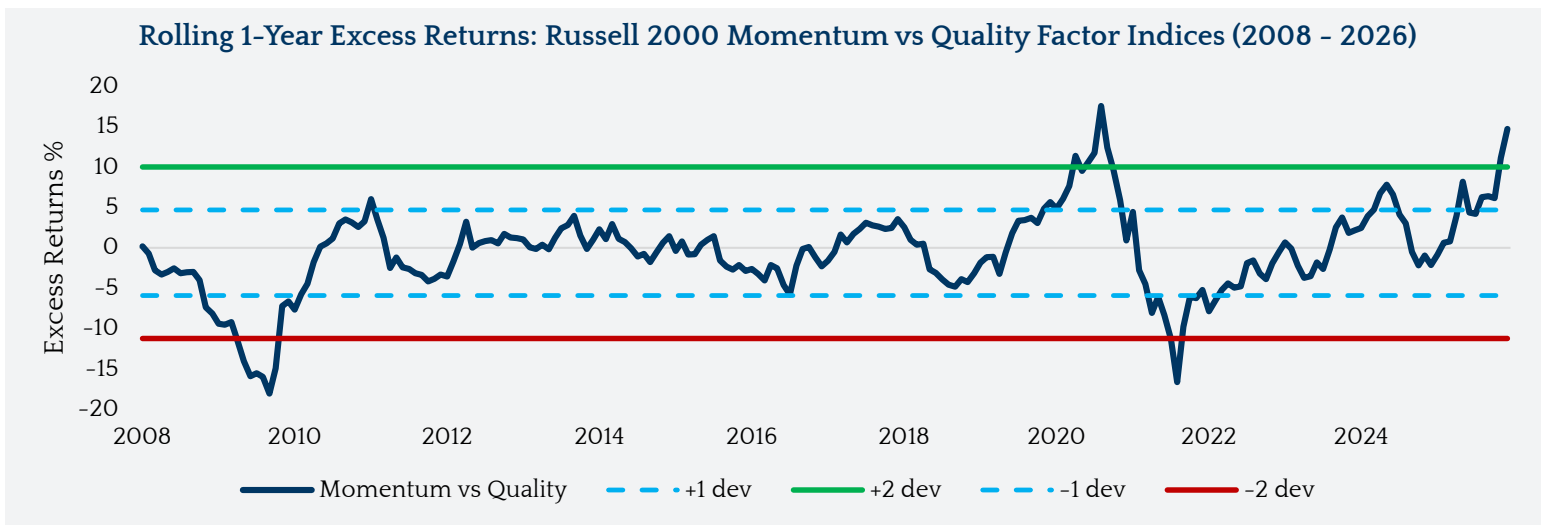


Key Takeaways

- The market has rewarded momentum over quality down-cap recently, with current outperformance at levels not seen since COVID.
- Over the period 2008-2026, momentum modestly underperforms quality on average.

Market Backdrop

- The market has increasingly rewarded momentum over quality within down-cap equities, particularly following the pause in Liberation Day tariffs last April. As illustrated below, the rolling one-year excess returns of the Russell 2000 Momentum Factor Index vs the Russell 2000 Quality Factor Index are at elevated levels.



Source: Morningstar Direct. Since index inception dates in June 2007.

- While momentum paused in 1Q26, QTD (through May 31), momentum reasserted leadership and market breadth narrowed.
- Over the trailing one-year, fewer than 30% of constituents in the Russell 2000 Growth and Russell 2500 Growth indices outperformed¹.
- This backdrop has created a challenging environment for active down-cap managers.
- Only 22% of Small Growth managers and 8% of SMid Growth managers outperformed their index since April 8, 2025¹.

The Opportunity

- While momentum may continue to lead, current outperformance is nearly three standard deviations above the average seen since the inception of the Russell 2000 Momentum and Quality Factor indices (June 2007).
- Additionally, the upcoming Russell Index rebalance is anticipated to reduce concentration, as several heavily weighted names that have driven down-cap index returns are expected to graduate out of the indices.

Why Congress?

- At Congress, our investment process emphasizes quality companies with positive revenue and earnings growth, durable margins, and disciplined use of debt and leverage.
- Over longer time horizons, we believe this approach may deliver risk-adjusted returns by supporting participation in rising markets while mitigating downside risk in more challenging environments, relative to the strategy's benchmark.

Important Disclosures

The materials are being provided for illustrative and informational use only. Performance returns of less than one year are not annualized. Prior performance results are based on accounts that do not participate in a model delivery program with investment and operational differences such as account size and/or level of customization. There may be other reasons why the performance results differ from those of an individual account managed in the same or a substantially similar investment strategy. For example, individual accounts may differ from the strategy when applying client-requested restrictions.

There is no guarantee that the model portfolio will continue to hold any particular security and securities are held in varying percentages. Holdings are subject to change since the portfolio is actively managed. Holdings are intended to illustrate the composition and characteristics. Across client portfolios, there may be variations in holdings, characteristics and performance information as dictated by reasons such as diversification needs, specific client guidelines, account size, cash flows, the timing and terms of execution of trades, and differing tax situations.

This 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. Principal loss is possible. Past strategy returns are dependent on the market and economic conditions that existed during the period. Future market or economic conditions can adversely affect the returns. **Past performance does not guarantee future results.**

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Forward-Looking Statements: Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, assurance or a representation as to the future.

Small-Capitalization Investing Risk: The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large- or mid-capitalization companies. The securities of small-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large- or mid-capitalization stocks or the stock market as a whole. There is typically less publicly available information concerning smaller-capitalization companies than for larger, more established companies.

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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.

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Management Risk: The Strategy is actively-managed and may not meet its investment objective based on the Advisor's success or failure to implement investment strategies for the Strategy.

Definitions:

The Russell 2000 Growth Index measures the performance of the small cap growth segment of the US equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. Indices are unmanaged, do not reflect fees and expenses and are not available for direct investment. **The Russell 2500 Growth Index** measures the performance of those Russell 2500[®] Index companies with higher price-to-book ratios and higher forecasted growth values. Indices are unmanaged. It is impossible to invest directly in an index. The performance of an index does not reflect any transaction costs, management fees, or taxes. **The Russell 2000 Momentum Factor Index** is a benchmark designed to capture the performance of small-cap U.S. equities that exhibit high price momentum. It selects top-performing stocks from the broader Russell 2000 Index based on their recent cumulative performance, operating on the theory that stocks that have recently outperformed will continue to do so in the near term. Indices are unmanaged. It is impossible to invest directly in an index. The performance of an index does not reflect any transaction costs, management fees, or taxes. **The Russell 2000 Quality Factor Index** is a benchmark designed to track the performance of small-cap US companies with superior fundamental strengths. It tilts the constituents of the traditional Russell 2000 Index by over-weighting stocks with strong financial health and under-weighting or excluding highly leveraged, unprofitable, or inefficient businesses. Indices are unmanaged. It is impossible to invest directly in an index. The performance of an index does not reflect any transaction costs, management fees, or taxes.

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