

# Mid Cap Growth Strategy

**STRATEGY:** The strategy invests in a portfolio of 35-45 companies. Investments are predicated on a company's future prospects rather than economic or market cycles. We value consistent profitable growth versus a growth now, profits later approach.

**APPROACH:** We employ a bottom up fundamental process to identify investments in companies with improving fundamentals, emphasizing earnings growth consistency, free cash flow, and solid balance sheet metrics.

**BENEFIT:** Investing in companies positioned for growth coupled with risk management techniques seek to provide the foundation to build a high conviction portfolio with consistent return generation and lower realized volatility.

## Company Snapshot as of 9/30/2021

Company Assets	\$19.1 b
Founded	1985

## Investment Committee Company Tenure

Todd Solomon, CFA Committee Chair	2001
Gregg O'Keefe, CFA	1986
Amy Noyes, CFA	1996
John O'Reilly, CFA	2001
Nicholas Koup, CFA	2014

## Portfolio Construction

- 35-45 Holdings
- 2.5% Initial Weighting
- 5/15% Maximum allowance to security weight and industry, in general
- Standard Deviation < Benchmark \*
- Realized Beta < 1 \*

\*since inception

## Average Annualized Performance % as of 9/30/2021

Performance is preliminary and subject to change at any time

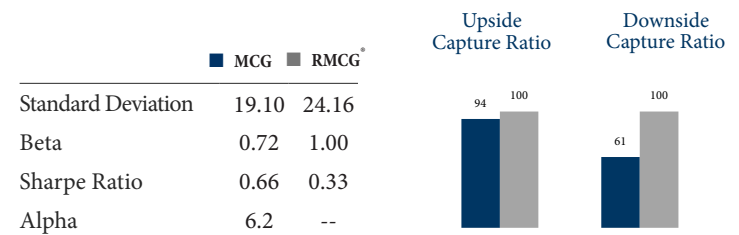
	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception 10/1/1999
Congress Mid Cap Growth (Gross)	4.3	21.3	43.0	24.0	20.9	18.9	14.3
Congress Mid Cap Growth (Net)	4.2	20.9	42.3	23.4	20.3	18.4	13.5
Russell Midcap Growth*	-0.8	9.6	30.5	19.1	19.3	17.5	9.6

## Characteristics<sup>1</sup>

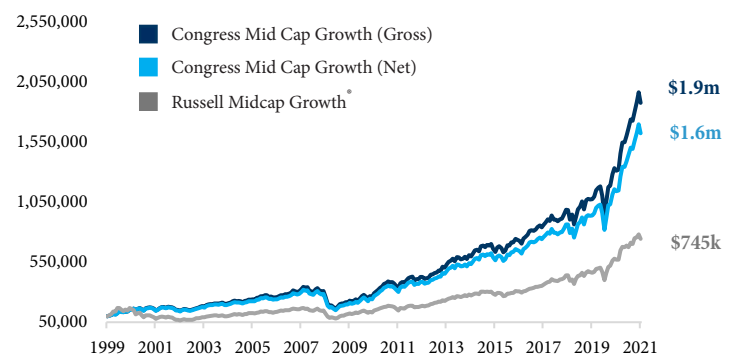
	Mid Cap Growth	Russell Midcap Growth Index
Total Assets	\$7.2 b	-
Number of Equity Holdings	40	392
Weighted Avg Market Cap	\$20.2 b	\$27.7 b
YTD Turnover %	9.0	-
Active Share %	89.2	-
P/E - Trailing 12 Months	28.9x	35.0x
Price/Book	6.5x	11.3x
Yield %	0.48	0.50

## Risk Return Analysis 10/1/1999 - 9/30/2021

A low downside capture ratio helps protect investor returns over the long term.



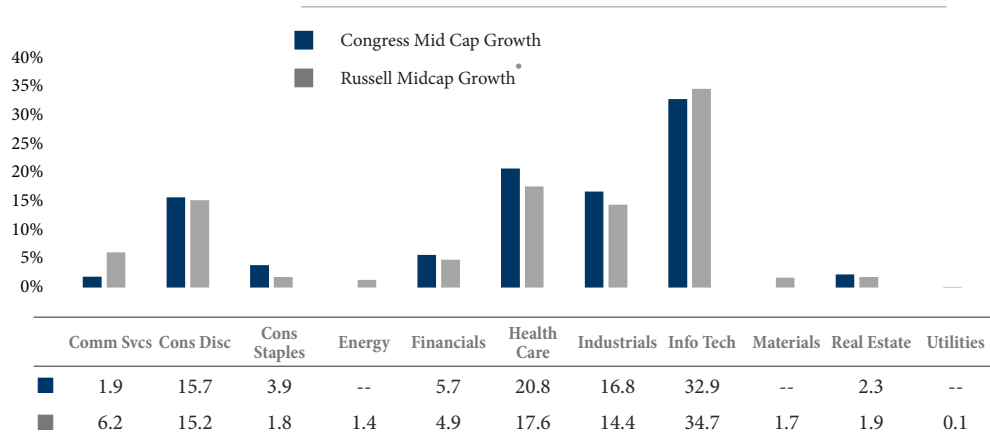
## Growth of \$100,000 10/1/1999 through 9/30/2021



Top 10 Holdings<sup>1</sup> % as of 9/30/2021

Paycom Software, Inc.	3.1
Horizon Therapeutics Plc	3.1
West Pharmaceutical Services, Inc.	3.0
Monolithic Power Systems, Inc.	3.0
Raymond James Financial, Inc.	3.0
Entegris, Inc.	2.9
Zebra Technologies Corporation	2.9
Charles River Laboratories Intl., Inc.	2.8
Floor & Decor Holdings, Inc.	2.8
Diodes Inc.	2.8
<b>Total:</b>	<b>29.4</b>

GICS Sector Allocation<sup>1</sup> % ex Cash as of 9/30/2021



<sup>1</sup>The information shown is for a representative account as of 9/30/2021. Actual client account holdings and sector allocations may vary.

Definitions: **Russell Midcap Growth Index** measures the performance of Russell mid-cap companies with higher price-to-book ratios and higher forecasted growth value **Standard Deviation** measures historical volatility **Beta** measures the volatility of a portfolio in comparison to an index **Sharpe Ratio** uses standard deviation and excess return to determine reward per unit of risk **Alpha** compares the risk-adjusted performance of a portfolio to an index **Upside Capture Ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark **Downside Capture Ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark.

Congress Asset Management Co. Mid Cap Growth Composite 1/1/2011 - 12/31/2020												
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)	
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	12.9	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	
2013	37.9	37.3	35.7	13.2	14.6	35	0.38	84	6,489	978	7,467	
2012	10.4	9.8	15.8	17.0	17.9	26	0.46	43	6,755	743	7,498	
2011	12.7	12.1	-1.7	19.1	20.8	22	0.67	30	6,329	685	7,014	

#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 – 12/31/20. 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 – 12/31/20. 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 Advisors 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 and a list of broad distribution pooled funds 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 0.78%, respectively. The management fee schedule and expense ratio for the Mid Cap Growth Fund Retail Shares is 0.60% and 1.03%, respectively.

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.