CHASE INVESTMENT COUNSEL CORPORATION

PRESERVING & GROWING WEALTH
Since 1957

CHASE GROWTH FUND – QUARTERLY COMMENTARY

As of April 8, 2022

First Quarter 2022

Five words probably best sum up equity market results in the United States at least in Q122: "It could have been worse!"

After a strong finish to 2021, markets rolled over sharply in January and February, but recovered strongly in March. However, the March recovery was not enough to offset the earlier drops so the S&P 500 Index ("S&P 500") ended down 4.60% in the quarter while the Dow Jones Industrial Index was down 4.10%. Within markets, there were several significant changes, one of the most of which was the dramatic outperformance of "value" stocks compared to "growth" stocks in the quarter. The Russell 1000® Value Index fell 0.74% compared to a 9.04% drop in the Russell 1000® Growth Index.

As a "growth at a reasonable price manager", we were reasonably pleased with the performance of the Chase Growth Fund (CHASX) in the quarter. The fund fell 5.54% in the period, a little worse than the S&P 500 but far better than the 12.97% drop in Lipper Multi-Cap Growth mutual fund category, a group of mutual funds with similar strategies. Markets worldwide, generally, fared similarly to ours with the EAFE (developed markets in 21 countries in Europe, Australasia and the Far East) down 5.79% and the MSCI Emerging Markets Index down 6.92%. These drops pale in comparison to the drop Russian stocks with the VanEck Vectors Russia ETF falling 78.8% from $26.66 on December 31st to $5.65 when trading was stopped on March 25.

As expected in a world of higher inflation, most commodities rose in the quarter with oil rising 31.80%, natural gas rising 51.26%, wheat and corn rising 30.52% and 26.21% respectively. Gold rose 8.55% in the quarter. Bitcoin fell 3.28%.

Many of the stocks that previously led markets in 2021, fell in the first quarter, including the "FAANG" stocks with Meta Platforms (formerly Facebook) down 33.89%, Amazon down 2.23%, Apple down 1.67%, Netflix down 37.82% and Alphabet (Google) down 3.99%. Microsoft, not a FAANG stock, but widely watched fell 8.33% in the quarter. These are some of the largest companies by market cap in the growth indices and explain much of the drop in growth stocks versus value stocks.

First quarter results for the S&P 500's 11 sectors were overwhelmingly negative. Only two sectors had positive performance. The energy sector rose 39.03% in the quarter while the utility sector rose 4.77%. The worst performance came from the 11.92% drop in the communications services sector, the 9.03% drop in the consumer discretionary sector and the 8.38% drop in the information technology sector. Markets were, and remain, bedeviled by three "I's" (Cont'd pg 3 First Quarter)

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. The most recent month-end performance may be obtained by visiting our website at www.chasegrowthfund.com. The Fund imposes a 2.00% redemption fee on shares held 60 days or less. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced.

	1st Quarter 3/31/2022	1 Year 3/31/2022	5 Years Annualized 3/31/2022	10 Years Annualized 3/31/2022	Since Inception Annualized 3/31/2022
CHASX	-5.54%	10.98%	13.97%	12.58%	8.66% (12/2/97)
Lipper Multi-Cap Growth Funds Index	-12.97%	-0.04%	17.14%	14.51%	8.38% (12/2/97)
S&P 500® Index	-4.60%	15.65%	15.99%	14.64%	8.54% (12/2/97)

Expense Ratio (gross): 1.31%
Expense Ratio (net): 1.14%*

**Shareholders pay the net expense ratio. Chase Investment Counsel Corporation (the "Adviser") has contractually agreed to waive a portion or all of its management fees and pay Fund expenses in order to limit Total Annual Fund Operating Expenses (excluding AFFE, taxes, interest expense, dividends on securities sold short, extraordinary expenses, Rule 12b-1 fees, shareholder servicing fees and any other class-specific expenses) to 0.99% of average daily net assets to the Fund (the "Expense Cap"). The Expense Cap will remain in effect through at least January 27, 2023 and may be terminated only by the Trust's Board of Trustees (the "Board"). The Adviser may request recoupment of previously waived fees and paid expenses from the Fund for 36 months from the date they were waived or paid, subject to the Expense Cap at he time such amounts were waived or at the time of recoupment, whichever is lower.*

Portfolio Review

Markets were weak in 2022's first quarter with the S&P 500 Index down 4.60% and the Dow Jones Industrial Average down 4.10%. Amid rising prices for oil, natural gas and most other commodities, value stocks reasserted themselves versus growth stocks with the Russell 1000® Value Index falling 0.74% versus the 9.04% drop in the Russell 1000® Growth Index. Smaller stocks fared slightly worse than the S&P 500, with the S&P MidCap 400 Index falling 4.88% and the S&P SmallCap 600 Index down 5.62% in the period. The Chase Growth Fund (CHASX) fell 5.54% in the quarter versus a drop of 12.97% for our peer group, the Lipper Multi-Cap Growth funds. For the second consecutive quarter, Microsoft was the fund's largest holding at 6.09% of assets while health care products supplier Avantor Inc. was the smallest position at 1.19%. Cash made up 4.63% of the fund's assets on March 31st.

The following table illustrates the significant differences between the S&P 500's sector weightings and 1st quarter performance versus the sector weightings of the Chase Growth Fund in the first quarter:

	Sector Weights (3/31/22)		Sector Returns (12/31/21 - 3/31/22)	
	CHASX	S&P 500® Index	CHASX	S&P 500® Index
Total	**100.00**	**100.00**	**-5.54**	**-4.60**
Cash Items	4.63		0.00	
Communication Services	4.63	9.73	-4.20	-11.92
Consumer Discretionary	4.90	12.00	-17.72	-9.03
Consumer Staples	0.19	6.13	0.08	-1.01
Energy	5.09	3.54	36.18	39.03
Financials	12.08	11.44	-1.50	-1.48
Health Care	17.66	13.33	-5.40	-2.58
Industrials	17.21	7.94	-5.90	-2.36
Technology	23.47	28.08	-11.46	-8.36
Materials	7.30	2.57	0.41	-2.37
Real Estate	0.07	2.67	-1.97	-6.22
Utilities	2.76	2.58	8.16	4.77

Note: fund fees not included

1st QUARTER TOP PERFORMING STOCKS

The Mosaic Company was the fund's top performing stock rising 50.4% in the first quarter. The Florida based company is one of the largest producers and distributors of fertilizers in North America. The fertilizer industry is benefitting from high prices for agricultural products such as corn and wheat and high prices for the various types of fertilizers it produces. Earnings in 2022 are expected to rise to $9.25 per share in versus $5.04 per share in 2021. Revenues are expected to grow to about $17.1 billion from $12.4 billion. Mosaic has a market cap of about $25.6 billion.

Pioneer Natural Resources was the fund's second-best performing stock in the quarter, rising 38.4% in the period. The Texas based company is a major producer of oil and natural gas, primarily in the Permian Basis of West Texas. Pioneer has been a tremendous beneficiary of the increases in oil and natural gas prices so far in 2022. The company's reserves consist of about 45% oil, 30% natural gas liquids and 25% natural gas. Like several other oil and gas companies, Pioneer began a variable dividend last year in which the company aims to return 75% of its free cash flow to shareholders. The company is expected to earn nearly $20.00 per share in 2022 versus $13.26 in 2021.

Oil service company **Baker Hughes, Inc.** was the fund's third best performing stock in the first quarter, rising 25.6%. The Houston based company has a market cap of $23.9 billion and was formed in 2017 by the combination of legacy Baker Hughes and (Cont'd pg 3 Top Performing Stocks)

1st QUARTER WORST PERFORMING STOCKS

Tempur-Sealy International Inc. was the fund's worst performing stock in the quarter falling 33.0%. The manufacturer and distributor of bedding products failed to meet analysts' earnings and revenue estimates in the fourth quarter. The stock was originally purchased in early 2021 at about $29 per share and added to in September. We eliminated the stock at a price of $31.52 in February 2022. The company has since warned that first quarter 2022 revenues would not meet expectations.

Software developer **EPAM Systems, Inc.** was the fund's second worst performer, falling 29.3%. In late February, the company warned that its business would be negatively affected by the war between Russia and Ukraine. The company had about 14,000 employees in Ukraine prior to the conflict and did significant business in that country as well as in Russia and Belarus. The war has made predicting future business activity difficult. EPAM was first purchased in 2017 and added to in 2021 before being eliminated in the first quarter.

Contract Research Organization **IQVIA Holdings** was the fund's third worst performing stock in the quarter falling 22.8%. After peaking as a stock at about $286 per share late last year, analysts expected the company's growth rate to slow somewhat in 2022 and the stock reacted negatively. The fund purchased the shares in 2020 for about $164 per share and sold them in early March 2022 for about $210 per share.

Chase Investment Counsel Corporation

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Chase Growth Fund—Top Contributions & Detractors			
Contributors 12/31/2021 - 3/31/2022	Average Portfolio Weight 3/31/22	Return (%)	Contribution
Mosaic Co	1.6%	50.4%	0.9%
Pioneer Natural Resources Co	1.5%	38.4%	0.8%
AbbVie Inc	2.8%	20.8%	0.5%
Baker Hughes Company	1.5%	25.6%	0.4%
Teck Resources LTD	1.6%	15.9%	0.3%
Bottom Contributors 12/31/2021 - 3/31/2022	Average Portfolio Weight 3/31/22	Return (%)	Contribution
EPAM Systems Inc	0.0%	-29.3%	-1.3%
Tempur Sealy Intl Inc	0.0%	-33.0%	-1.1%
Avantor Inc	1.2%	-19.7%	-0.8%
IQVIA Holdings Inc	0.0%	-22.8%	-0.8%
Microsoft Corp	6.1%	-8.7%	-0.6%

(First Quarter Cont'd from pg 1)

in the quarter: Inflation, interest rates and invasion.

As anyone who has visited a gas station or grocery store can attest to, inflation is now rampant. The recent CPI (consumer price index) figure for February was up 7.9% from a year earlier, the highest figure since early 1982. Inflation's effects on consumer spending and corporate earnings are only beginning. Consumer spending has been strong lately because of pent-up demand and high savings due to Covid. This could change quickly. The impact on corporate earnings will be easier to see. First quarter earnings season begins next week, and inflation should be a topic in many earnings releases and calls.

Largely because of inflation, the second "I" – interest rates - are rising. Federal Reserve bankers raised short-term rates in March and are likely to do so several more times as the year progresses. Two-year interest rates have risen from 0.73% at year-end, to roughly 2.50% today. With 10-year U.S. Treasury rates at the same levels, we have been in and out of "inverted yield curve" situations several times recently. Inverted yield curves (a condition where short-term interest rates are higher than long-term rates) have preceded recessions frequently, but not always, in the past. Meanwhile, higher mortgage rates have begun to have a negative impact on the housing industry in the U.S.

The last "I" of course is invasion – the Russian invasion of Ukraine that occurred in February, but which began to impact markets earlier. Apart from the human tragedy, the sanctions imposed on Russia by much of the rest of the world have further caused energy prices to rise as well the prices for many agricultural products and inputs such as grains and fertilizers.

The result of all this is a vicious circle with the invasion pushing up inflation and inflation pushing up interest rates. The hope among Fed bankers is that higher rates slow down economic activity and result in lower inflation - but still some economic growth. This is called a "soft landing." The fear among some investors is that higher rates coupled with inflation lead either to a "hard landing," an outright recession or to a situation of "stagflation," a condition of low growth and high inflation.

Despite the effects of higher inflation, interest rates and the Russia-Ukraine war, earnings estimates for the S&P 500 are higher now than they were when the year began. According to S&P/Capital IQ, the S&P 500 is expected to earn nearly $225 per share in 2022 now, compared to an estimate of $218 in early January. This values the S&P 500 at about 19.8x estimated earnings above the five-year average p/e ratio of 18.6X and the 10-year average of 16.8X. Meanwhile, FactSet, a data gathering firm, reported that 67 S&P 500 companies reduced their estimate of 2022 earnings in the first quarter while 29 companies increased their estimates. With Q122 earnings season set to begin in mid-April, we are suspect of many estimates at this point. In addition, we are about to enter the May-November historically weaker six-month period for equity markets.

Time will tell which scenario, a "soft" or "hard" landing prevails.

(Top Performing Stocks Cont'd from pg 2)

General Electric's Oil and Gas operations. The merger made the firm the second largest of the three global oil and gas service firms. It had 2021 revenues of $20.6 billion versus $22.9 billion for Schlumberger and $15.3 billion for Halliburton. The company provides products and services that help in oil and gas production, distribution and refinement into other products. The company's earnings in 2022 should be about $1.20 per share versus $0.65 per share in 2021. Baker has a growing business helping companies with controlling carbon and methane releases as well as developing hydrogen and liquified natural gas production facilities.

Disclosure

Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The Statutory and Summary prospectuses contain this and other important information about the investment company and may be obtained by calling (888) 861-7556 or visiting www.chasegrowthfund.com. Read carefully before investing.

The information on earnings growth is based on certain assumptions and historical data and is not a prediction of future results for the Fund or companies held in the Fund's portfolio. Past performance does not guarantee future results.

The opinions expressed are those of the author and should not be considered a forecast of future events, a guarantee of future events nor investment advice.

Mutual fund investing involves risk, principal loss is possible. The Chase Growth Fund may invest in mid-cap companies, which involve additional risks such as limited liquidity and greater volatility. The Chase Growth Fund may invest in foreign securities traded on U.S. exchanges, which involve greater volatility and political, economic and currency risks and differences in accounting methods. Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.

Price earnings ratio (P/E) is the price of a stock divided by its earnings per share.

As of March 31, 2022 the Chase Growth Fund held 0.0% VanEck Vectors Russia ETF, 0.0% Meta Platforms, Inc., 0.0% Amazon.com, Inc., 5.0% Apple Inc., 0.0% Netflix, Inc., 0.0% Alphabet Inc., 6.1% Microsoft Corp., 1.2% Avantor Inc., 1.6% Mosaic Co., 1.5% Pioneer Natural Resources Co., 1.5% Baker Hughes Co., 0.0% Tempur-Sealy International, Inc., 0.0% EPAM Systems, Inc., 0.0% IQVIA Holdings Inc., 2.8% AbbVie Inc., 1.6% Teck Resources LTD, 0.0% General Electric Co., 0.0% Schlumberger LTD and 0.0% Halliburton Co.

Indexes

S&P 500 Index is a broad-based unmanaged index of 505 stocks, which is widely recognized as representative of the equity market in general.

Dow Jones Industrial Index is a price-weighted measurement stock market index of 30 prominent companies listed on stock exchanges in the US.

Russell 1000® Value Index measures the performance of the large cap value segment of the US equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. The Russell 1000® Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment.

Russell 1000® Growth Index contains those securities in the Russell 1000® Index with a greater-than-average growth orientation. Companies in this index tend to exhibit higher price-to-book and price-to-earnings ratios, lower dividend yields and higher forecasted growth rates.

Lipper Multi-Cap Growth Funds Index measures the performance of 30 of the largest funds in the multi-cap growth category as tracked by Lipper, Inc.

The **MSCI EAFE Index** is a stock market index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada.

MSCI Emerging Markets Index is a selection of stocks that is designed to track the financial performance of key companies in fast-growing nations.

The **VanEck Vectors Russia ETF (RSX)** aims to closely track the price and yield performance of the MVIS Russia Index. To achieve this, the fund invests at least 80% of its asset base in stocks that make up the benchmark index. RSX provides a tilt toward the energy and basic materials sectors.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

S&P MidCap 400 Index provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

S&P SmallCap 600 Index tracks a broad range of small-sized companies that meet specific liquidity and stability requirements. This is determined by specific metrics such as public float, market capitalization, and financial viability, among a few other factors.

An investment cannot be made directly in an index.

Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced.

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