



# CHASE GROWTH FUND – QUARTERLY COMMENTARY

As of April 10, 2023

## First Quarter 2023

Despite a slowing economy and the collapse of three large banks, the first quarter was in many ways a complete reversal of 2022. Equity and bond markets both rose, in some cases substantially. In general, large equities outperformed smaller ones and growth stocks trounced value stocks.

Between year-end 2022 and March 31st, the S&P 500 Index (“S&P 500”) index rose 7.50%. The tech-heavy The Russell 1000® Growth Index rose 14.37% while the more value-oriented Dow Jones Industrials Index rose 0.93%. Given our “growth at a reasonable price” philosophy, the Chase Growth Fund did reasonably well in the quarter rising 8.09%, beating the S&P 500 but lagging the Lipper Multi-Cap Growth benchmark’s 12.09% return.

As noted above, technology-related stocks did extremely well in the first quarter. To illustrate this, the S&P 500’s 7.5% gain represented an increase in value of \$2.25 trillion in the index’s total value in the quarter. Five leading technology stocks accounted for all of the gain: Apple, Amazon, Microsoft, Meta Platforms and Nvidia Corp. together grew by \$2.29 trillion in Q1. We were fortunate to have positions in four of the five, lacking only Meta, in the fund. In addition, our technology weighting of 30.4% of the

portfolio exceeded the sector’s 26.1% weighting in the S&P 500. It was the best performing sector in the quarter, up 21.8%, followed by Communications services, up 20.5%, and Consumer Discretionary, up 16.1%. The weakest groups were Financials, off 5.6%, Energy, off 4.7%, and Health Care, off 4.3%.

On March 31, the fund held 40 stocks and 3.1% in cash. We believe the fund’s equity holdings will have higher earnings growth than the S&P 500 will this year, yet it had a price/earnings ratio of 22.7x on March 31<sup>st</sup>, versus 24.5x for the S&P 500.

Investors remain focused on whether we may be near the end of the rising interest rate cycle. Since March 2022, we have seen nine rate hikes taking the federal funds rate from 0.25% to 5.00%. Expectations generally call for one more rate hike in May. However, much can change between now and then. Recent economic statistics have been weaker than expected. Whether we see a “soft” economic landing with falling inflation or a “hard” landing with a recession or period of stagflation remains to be seen. First quarter earnings may give us a clue to what might happen. In addition, we still face much global turmoil and the possibility of a federal budget impasse and government shutdown later this year, all of which could affect markets significantly.

***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](http://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 3/31/2023	1 Year 3/31/2023	5 Years Annualized 3/31/2023	10 Years Annualized 3/31/2023	Since Inception Annualized 3/31/2023
CHASX	8.09%	-8.91%	8.19%	10.76%	7.90% (12/2/97)
Lipper Multi-Cap Growth Funds Index	12.09%	-15.37%	8.98%	11.58%	7.33% (12/2/97)
S&P 500® Index	7.50%	-7.73%	11.19%	12.24%	7.84% (12/2/97)
Expense Ratio (gross):	1.32%				
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, 2024 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 the time such amounts were waived or at the time of recoupment, whichever is lower.*

## Portfolio Review

Major U.S. equity markets rose in the first quarter, but there were tremendous differences in results because of the composition of the various indices. While the S&P 500 had a total return of 7.5% in the quarter, it was trounced by the 14.37% gain in the the Russell 1000® Growth Index . However, the Russell 1000® Value index only rose 1.01% in the quarter while the Dow Jones Industrial Index rose 0.93%. The Chase Growth Fund rose 8.09% in the quarter while the Lipper Multi-Cap Growth universe of similar mutual funds rose 12.09%. On March 31<sup>st</sup>, the fund held 40 stocks which made up 96.9% of the portfolio while cash made up 3.1%. The fund's largest holding was chipmaker Nvidia Corp. at 5.97% of the fund's assets while LPL Financial Holdings, a brokerage firm, was the fund's smallest holding at 1.23% of assets.

The table below illustrates the differences between the Chase Growth Fund and the S&P 500 Index in sector weightings and 1st-quarter performance.

	Sector Weights (3/31/23)		Sector Returns (12/31/22 - 3/31/23)	
	CHASX	S&P 500® Index	CHASX	S&P 500® Index
Cash Items	3.06		0.00	
Communication Services	5.77	8.06	0.50	2.08
Consumer Discretionary	17.39	10.02	1.43	2.62
Consumer Staples	4.65	7.28	1.70	0.83
Energy	0.00	4.65	0.00	0.63
Financials	11.51	12.94	1.28	1.16
Health Care	5.41	14.24	1.84	1.13
Industrials	21.91	8.67	1.50	1.32
Technology	24.44	26.07	1.39	1.47
Materials	5.84	2.64	0.77	1.62
Real Estate	0.00	2.54	0.00	2.22
Utilities	0.00	2.88	0.00	0.76

Note: fund fees not included

### 1st QUARTER TOP PERFORMING STOCKS

**Nvidia Corp.**, a leading developer of chips used in computers and other electronic devices, rose 90.1% in the quarter and was the leading contributor to the Chase Growth Fund's performance. The California-based company is best known for its 3D chips used in personal computers and gaming devices. However, its newer products are rapidly gaining use in data centers and in the development of artificial intelligence. Like many technology companies, Nvidia had a difficult year in 2022 falling 58.8% during the year. Even with the first quarter's gain, it remains below its \$346 high price reached in 2021.

**W.W. Grainger, Inc.'s** stock rose 24.1% in the first quarter. The company is a leading provider of a broad variety of maintenance, repair and other supplies to a wide range of industries. It has about 450 stores throughout the country, and in Canada, Japan, the United Kingdom and other countries. The stock rose modestly in 2022 and continued to rise in the first quarter. The Illinois-based company has a market cap of about \$33 billion. It should have revenues of about \$16.3 billion in 2023 and earnings of about \$33.30, up about 12% over 2022 levels.

**Wesco International Inc.**, also a distributor, rose 23.7% in the first quarter. The company is a leading distributor of electrical and industrial products. Its business expanded dramatically in 2019 when it completed the acquisition of Anixter Inc., a leading distributor of supplies chiefly used in various communications-related industries. The company should have revenues of about \$23 billion in 2023 and earnings per share of \$17.48, about 7% higher than 2022 figures. The firm is based in Pittsburgh, PA and has a market cap of about \$7.1 billion.

### 1st QUARTER WORST PERFORMING STOCKS

The oil service company, **Tenaris SA ADS**, was the fund's worst performing stock in the first quarter, falling 19.6%. Like other companies in its industry, it performed poorly as investors became concerned about the direction of oil and natural gas prices. The company missed its fourth quarter 2022 earnings estimate slightly. As of March 31<sup>st</sup>, it was no longer in the fund's portfolio.

**Enphase Energy, Inc.** was also eliminated from the fund's portfolio in the first quarter. The company is a leading developer and manufacturer of products used in the solar power industry. Its main focus is on products that convert electricity produced by solar panels into the type of current that can be used in residential housing. The stock was one of the more volatile ones in the fund's portfolio with a beta of 1.63.

**Ameriprise Financial Inc.** remains in the fund's portfolio as of March 31<sup>st</sup>. The stock fell 13.5% in the first quarter. Financial services stocks were generally weak in the first quarter as problems in the commercial banking industry compelled investors to reduce exposure to the sector. Ameriprise is a leading financial planning, investment management and insurance firm. Its earnings should continue to grow in 2023 to approximately \$30 per share up from \$23.96 in 2022. The company has a market cap of about \$32 billion. We expect the stock to perform better going forward as the market begins to differentiate among various financial services firms and rewards those that continue to have good growth going forward.



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### Chase Growth Fund—Top Contributions & Detractors

Contributors 12/31/22 - 3/31/23	Average Portfolio Weight 3/31/23	Return (%)	Contribution
Nvidia Corp	6.0%	90.1%	3.1%
Apple Inc	3.5%	18.2%	0.8%
Microsoft Corp	4.8%	14.3%	0.8%
Grainger W W Inc	3.7%	24.1%	0.8%
Crocs Inc	3.6%	16.6%	0.6%

Bottom Contributors 12/31/22 - 3/31/23	Average Portfolio Weight 3/31/23	Return (%)	Contribution
Enphase Energy Inc	0.0%	-19.5%	-0.7%
Ameriprise Financial Inc	1.3%	-13.5%	-0.4%
Tenaris S A ADS	0.0%	-19.6%	-0.3%
AbbVie Inc	0.0%	-8.7%	-0.3%
LPL Financial Holdings Inc	1.2%	-7.6%	-0.3%

## 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](http://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.**

## Disclosure Cont'd

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, 2023 the Chase Growth Fund held 3.5% Apple Inc., 0.0% Amazon.com Inc., 4.8% Microsoft Corp., 0.0% Meta Platforms Inc., 6.0% Nvidia Corp., 1.2% LPL Financial Holdings Inc., 3.7% W.W. Grainger Inc., 1.6% Wesco International Inc., 0.0% Tenaris SA ADS, 0.0% Enphase Energy Inc., 1.3% Ameriprise Financial Inc., 3.6% Crocs Inc. & 0.0% AbbVie Inc.

## 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.

**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.

**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.

**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.

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

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.

Quasar Distributors LLC, Distributor.