



# CHASE GROWTH FUND – QUARTERLY COMMENTARY

As of January 5, 2024

## Fourth Quarter 2023

After swooning in the third quarter, U.S. equity markets were uniformly strong in the fourth, as investors increasingly came to believe that we may see a “Goldilocks” environment in 2024 with inflation and interest rates dropping and the U.S. economy seeing a “soft landing” and not a recession.

The S&P 500 Index (“S&P 500”) rose 11.69% in the fourth quarter to end the year up 26.29%. The Chase Growth Fund (CHASX) rose 13.69% in the quarter and ended the year up 25.85%, slightly shy of the S&P 500. Our peer group of mutual funds, the Lipper Multi-Cap Growth Fund Index rose 35.17% for the year.

Throughout the year, we have mentioned the importance of the “Magnificent Seven,” mega-cap growth stocks to the overall performance of U.S. equity markets in 2023. This continued throughout the fourth quarter as well. According to S&P, the “Seven” (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia and Tesla) accounted for 62.2% of the S&P 500’s return last year. The group makes up about 25% of the total S&P 500’s market cap. The equal weighted S&P 500 Index rose a more modest, but still substantial, 11.87% in Q4 and 13.87% for the full year. We were fortunate to own six of the “Seven” in the

Sector performance in the S&P 500 varied dramatically in the fourth quarter and for the full year. The Information Technology sector led both in the quarter, up 17.17%, and for the year, up 57.84%. It contributed 52.20% of the S&P 500’s total return for the year. It was followed closely by the Communications Services sector which rose 10.95% in Q4 and 55.80% for the year. The consumer discretionary sector rose 12.42% for the quarter and 42.41% for the year. The sole lagging sector for the quarter was Energy, which fell 6.94% for the quarter and 1.33% for the year. Although rising 8.56% in Q4, the Utility sector fell 7.08% for the full year making it the weakest sector overall.

At year-end, the Chase Growth Fund owned 41 stocks making up 97.6% of its portfolio. Cash comprised the remaining 2.4%. As always, we seek growing companies with reasonable valuations. Our stocks are expected to have 19.2% earnings growth in the coming year versus 15.3% growth for S&P 500 companies. Although “Chase” stocks sell for 26.2x earnings versus 24.5x for the S&P 500, on a p/e to earnings growth basis, “Chase” stocks sell for 1.4x versus 1.6x for the S&P 500.

***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.***

	4th Quarter 12/31/2023	1 Year 12/31/2023	5 Years Annualized 12/31/2023	10 Years Annualized 12/31/2023	Since Inception Annualized 12/31/2023
CHASX	13.69%	25.85%	12.72%	10.21%	8.30% (12/2/97)
Lipper Multi-Cap Growth Funds Index	13.74%	35.17%	14.56%	11.24%	7.88% (12/2/97)
S&P 500® Index	11.69%	26.29%	15.69%	12.03%	8.28% (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

In a reversal from the third-quarter, U.S. equity markets were uniformly strong in the fourth. The S&P 500 had a total return of 11.69% in the quarter. As with earlier periods, the Information Technology sector led in the period with a 17.17% return for the quarter. Company size was less of a factor in the fourth quarter than it was earlier in the year with the top 50 companies in the S&P 500 rising 11.34% in the quarter, just a tad shy of the entire index's return. For the year though size did matter with the largest 50 index stocks rising 38.31%, considerably higher than the index's 26.29% return. On December 31<sup>st</sup>, the fund held 41 stocks making up 97.6% of the fund while cash comprised 2.4%. Microsoft continued to be the fund's largest holding at 5.4% of assets while Antero Midstream Corp. was its smallest at 1.3% of assets.

The table below illustrates the differences between the Chase Growth Fund and the S&P 500 Index in sector weightings and 4th-quarter performance.

Sector	Sector Weights (12/31/23)		Sector Returns (9/30/23– 12/31/23)	
	CHASX	S&P 500 <sup>®</sup> Index	CHASX	S&P 500 <sup>®</sup> Index
<b>Total</b>	100.0	100.0	14.38	11.69
Communication Services	8.0	8.6	9.84	10.95
Consumer Discretionary	20.4	10.9	18.71	12.42
Consumer Staples	0.0	6.2	0.00	5.54
Energy	4.3	3.9	-2.96	-6.94
Financials	14.1	13.0	6.29	14.03
Health Care	5.0	12.6	10.40	6.41
Industrials	15.8	8.8	15.00	13.05
Technology	27.9	28.9	21.13	17.17
Materials	2.2	2.4	16.73	9.69
Real Estate	0.0	2.5	NA	18.83
Utilities	0.0	2.3	NA	8.56
Cash	2.4	0.00	0.00	0.00

Note: fund fees not included

### 4th QUARTER TOP PERFORMING STOCKS

**CrowdStrike Holdings**, an Austin, Texas based information security firm rose 51.37% in the fourth quarter. The company reported earnings per share of \$0.82 during the period, \$0.08 higher than analysts' estimates. The firm had revenues of \$786 million, about \$8.6 million higher than analysts' estimates. This prompted several analysts to raise their target prices on the company. As cyber security issues continue to grow, firms such as CrowdStrike should continue to benefit. The company currently has a market cap of about \$59 billion.

**Broadcom, Inc.** was the fund's second-best performing stock in the quarter rising 33.76%. The Palo Alto based company has a market cap of about \$495 billion and is a leading designer and developer of a broad variety of semiconductors used in a wide variety of products. In addition, the firm has grown into a substantial provider of various software services, primarily via acquisition, including the recently completed VM Ware purchase. The growth of AI (Artificial Intelligence) products is expected to help Broadcom's growth continue.

**Salesforce, Inc.** was the fund's third best performing stock, rising 29.77% in the quarter. The company has a \$243 billion market cap and is based in San Francisco. It provides customer relationship management software that is sold to companies of virtually all sizes on a global basis. Salesforce's products allow companies to store data on sales, sales leads, contact opportunities and to deliver contracts and invoices.

### 4th QUARTER WORST PERFORMING STOCKS

**Health Equity Inc.** fell 11.71% in the quarter, making it the fund's worst performing stock in the period. The Utah-based firm provides on-line platforms for individuals to analyze various health saving and spending decisions, pay bills and to compare treatment options and prices. Although the company continued to exceed earnings and revenues estimates, there was some concern about a slowing rate of growth going forward. The stock was sold during the quarter and was no longer a fund holding at the end of December.

**Eagle Materials Inc.** fell 11.35% in the quarter. Although the company beat earnings estimates in its most recent quarter, its revenues of \$622 million fell short of expectations by about \$12 million. The Texas based firm is a provider of construction materials such as concrete, cement and various aggregates. As with Health Equity, the stock was no longer a part of the fund's holdings at year-end.

**Interactive Brokers Group Inc.** fell 8.56% in the quarter, making it the fund's third worst performing stock. The firm operates as an on-line electronic broker for executing and processing trades for stocks, options, bonds, mutual funds and other financial instruments. In addition, it serves as a custodian and account servicer for hedge funds and mutual funds. The stock was hurt as some of the monthly trading data that it reported was slightly below expectations in the fourth quarter. It is no longer a fund holding as well.



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### Chase Growth Fund—Top Contributions & Detractors

Contributors 9/30/23 - 12/31/23	Portfolio Weight 12/31/23	Return (%)	Contribution
CrowdStrike Holdings Inc	3.3%	51.4%	1.30%
Microsoft Corp	5.4%	18.2%	0.99%
Amazon Com Inc	4.6%	19.5%	0.83%
Arista Networks Inc	2.9%	27.5%	0.73%
Deckers Outdoor Corp	2.3%	29.6%	0.62%

  

Bottom Contributors 9/30/23– 12/31/23	Portfolio Weight 12/31/23	Return (%)	Contribution
Cisco Systems Inc	0.0%	-6.8%	-0.25%
Eagle Materials Inc	0.0%	-11.4%	-0.20%
Interactive Brokers Group Inc	0.0%	-8.6%	-0.19%
HealthEquity Inc	0.0%	-11.7%	-0.18%
Haemonetics Corp Mass	0.0%	-8.0%	-0.12%

## 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 Continued

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.

Market capitalization, sometimes referred to as market cap, is the total value of a publicly traded company's outstanding common shares owned by stockholders. Market capitalization is equal to the market price per common share multiplied by the number of common shares outstanding.

As of December 31, 2023 the Chase Growth Fund held 4.4% Alphabet Inc., 4.6% Amazon Com Inc., 3.6% Apple Inc., 3.6% Meta Platforms Inc., 5.4% Microsoft Corp., 4.3% Nvidia Corp., 0.0% Tesla Inc., 1.3% Antero Midstream Corp., 3.3% CrowdStrike Holdings Inc., 2.0% Broadcom Inc., 1.8% Salesforce Inc., 0.0% HealthEquity Inc., 0.0% Eagle Materials Inc., 0.0% Interactive Brokers Group Inc., 2.9% Arista Networks Inc., 2.3% Deckers Outdoor Corp., 0.0% Cisco Systems Inc. & 0.0% Haemonetics Corp Mass.

## 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.

**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.

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.