



# CHASE GROWTH FUND – QUARTERLY COMMENTARY

As of April 10, 2024

## First Quarter 2024

Major U.S. equity markets continued their impressive performance in the first quarter of 2024 as investor confidence in the outlook for lower inflation and interest rates grew during the period and the outlook for “hard landing” or recession diminished. The gains were widespread with large and mid-cap stocks doing well but small-cap stocks posting only modest gains. International markets were generally up as well but posted gains far smaller than most U.S. indices.

The S&P 500 Index (“S&P 500”) rose 10.56% in the first quarter, its best gain since 2019. The Chase Growth fund rose 19.06% in the quarter, handily besting both the S&P 500 and the 11.53% gain of the Lipper Multi-Cap Growth Index, a peer group of mutual funds.

Two factors which helped the Chase Growth Fund’s performance were simply size and “momentum.” Very large stocks continued to outperform the overall market with the fifty largest stocks in the S&P 500 up 12.11% in the quarter. More importantly, seeking stocks with strong “momentum” versus the overall market helped performance. Momentum is best expressed by various relative strength and buying power measurements. A stock rising more than the market in percentage terms is said to have

“positive” momentum. In the first quarter, having positive momentum helped performance. The S&P 500 “Momentum” Index rose 22.55% for the first quarter.

Much was made in 2023 about the performance of the “Magnificent Seven” mega-cap growth stocks which drove the year’s performance. The group, which consists of Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA and Tesla, showed markedly mixed performance in the first quarter. The top performers in the group were NVIDIA, up 82.46%, and Meta Platforms, up 37.33%. The laggards were Tesla, down 29.25%, and Apple, down 10.82%. At the start of the quarter, we owned six of the seven, missing only Tesla. By March 31<sup>st</sup>, we had sold Apple but still had five of the seven. The five stocks of the group we owned on March 31<sup>st</sup> contributed 6.40% of the fund’s 19.06% return while Apple cost the fund 0.17%.

On March 31<sup>st</sup>, the Chase Growth Fund owned 44 stocks making up 96.15% of the portfolio while cash comprised the other 3.85%. Microsoft and NVIDIA were the fund’s largest positions while O’Reilly Automotive and Vertex Pharmaceuticals were its smallest. The stocks in the fund are expected to have earnings growth of 23% in 2024 versus growth of 14% for the S&P 500. The fund’s stocks sold for 28.7x 2024 earnings versus 26.9x for the S&P 500. Because (Con’t pg3 - 4th 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](http://www.chasegrowthfund.com).***

	1st Quarter 3/31/2024	1 Year 3/31/2024	5 Years Annualized 3/31/2024	10 Years Annualized 3/31/2024	Since Inception Annualized 3/31/2024
CHASX	19.06%	38.62%	13.86%	11.76%	8.93% (12/2/97)
Lipper Multi-Cap Growth Funds Index	11.53%	34.49%	13.49%	12.27%	8.25% (12/2/97)
S&P 500® Index	10.56%	29.88%	15.05%	12.96%	8.61% (12/2/97)
Expense Ratio (gross):	1.40%				
Expense Ratio (net):	1.15%*				

*\*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 28, 2025 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

The S&P 500 continued its impressive performance from Q4 2023 into the first quarter of 2024. The index had a total return of 10.56% in the quarter, marking the best quarterly return since 2019. The Chase Growth Fund rose 19.06% in the period. Equally impressive with the strong first quarter is the 29.88% gain the S&P 500 has posted in the last four quarters and the 38.62% gain our fund has shown over the same period. In equity markets overall, size mattered some in the first quarter, with the top 50 stocks in the S&P 500 rising 12.11%. Growth mattered too with the S&P 500 Growth segment up 12.75% in the quarter versus the 8.05% gain in the S&P 500 Value segment. Sector performance was led by Communications Services, up 15.82%, Energy, up 13.69% and Information Technology, up 12.69%. The weakest sectors were Real Estate, off 0.55%, Utilities, up 4.57% and Consumer Discretionary, up 4.98%. Due to its growth bent, the Chase Growth Fund had no exposure to real estate or utilities in the quarter but had a 16.60% weighting in consumer discretionary stocks.

The table below illustrates the differences between the Chase Growth Fund and the S&P 500 in sector weighting and performance in the first quarter.

Sector	Sector Weights (3/31/24)		Sector Returns (12/31/23– 3/31/24)	
	CHASX	S&P 500 <sup>®</sup> Index	CHASX	S&P 500 <sup>®</sup> Index
<b>Total</b>	100.0	100.0	19.06	10.56
Communication Services	7.6	9.0	17.97	15.82
Consumer Discretionary	16.6	10.3	11.57	4.98
Consumer Staples	0.0	6.0	NA	7.52
Energy	2.5	3.9	20.61	13.69
Financials	15.7	13.2	10.69	12.46
Health Care	7.9	12.4	16.91	8.85
Industrials	19.3	8.8	36.22	10.97
Technology	24.2	29.6	22.73	12.69
Materials	2.2	2.4	23.22	8.95
Real Estate	0.0	2.3	NA	-0.55
Utilities	0.0	2.2	NA	4.57
Cash	3.90	0.00	0.00	0.00

Note: fund fees not included

### 1st QUARTER TOP PERFORMING STOCKS

**NVIDIA Corp.** was the fund's top performing stock in the first quarter, rising 82.5% and contributing 3.5% to the fund's 19% gain in the period. NVIDIA had also been a strong performing stock throughout 2023 as its computing platforms and graphic processing units continue to enjoy strong growth. The company's products are primarily used in data centers and gaming. It is a beneficiary of the long-term growth people expect for products connected to artificial intelligence. After growing substantially in 2023, NVIDIA should post earnings growth of 60% plus again this year.

The fund's second-best performing stock in the quarter was **Vertiv Holdings Co.**, which rose 69.5% in the quarter. The Ohio-based company is a supplier and servicer of a broad variety of products used in various digital infrastructure projects including cloud storage for the financial services, healthcare, government and social media industries. The company has revenues of about \$6.8 billion and a market capitalization of \$32 billion. As with NVIDIA, the growth of products and services related to artificial intelligence should help its business in the future. Vertiv's earnings should grow by at least 20% in 2024.

**EMCOR Group Inc.** was the fund's third best performing stock, rising 62.3% in the first quarter. The company is a mechanical, electrical, construction and facilities management contractor. It designs, installs and maintains electrical, mechanical, hvac and plumbing systems in a broad variety of facilities. The company is benefitting from efforts to improve and maintain the nation's electrical grid as well as from continued growth in data and voice transmission services. EMCOR is based in Connecticut and should have revenues of about \$13 billion this year and earnings per share of about \$13.40. The company has a market cap of \$17 billion.

### 1st QUARTER WORST PERFORMING STOCKS

Apparel designer and retailer **Lululemon Athletica, Inc.** was the mutual fund's worst performing stock in this year's first quarter. It fell 23.4% and was eliminated from the fund by the end of the quarter. Although the company reported better than expected fourth quarter sales and earnings, its guidance for the first quarter of 2024 disappointed analysts and investors. The company said it expected first quarter revenues of between \$2.18 billion to \$2.20 billion versus expectations of \$2.26 billion. And for the full year it expected \$10.7 billion to \$10.8 billion in revenues versus expectations of \$11.0 billion. The stock suffered a 19% drop on the day it reported earnings.

Cyber security solutions provider **Rapid7, Inc.** was the fund's second worst performing stock, falling 12.7% in the quarter. Even though the company had good growth in revenues and earnings in the fourth quarter, the stock started falling after the results were released and began failing several of the technical indicators we use to monitor our stock holdings. The stock was eliminated from the fund's portfolio by the end of March as well.

Payments processing company **PayPal Holdings, Inc.** was the fund's third-worst performing stock in the first quarter, falling 11.7%. As with Rapid7, the company reported good results for the fourth quarter, but provided cautious guidance for 2024. While analysts expected earnings of \$5.53 per share for 2024, the company said it expected earnings per share of \$5.10. In addition, the number of active accounts using PayPal's services fell slightly in the fourth quarter. The fund no longer held PayPal at the end of March.



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### Chase Growth Fund—Top Contributions & Detractors

Contributors 12/31/23 - 3/31/24	Portfolio Weight 3/31/24	Return (%)	Contribution
Nvidia Corp	4.9%	81.3%	3.5%
Vertiv Holdings Co	3.3%	69.5%	1.6%
Meta Platforms Inc	4.0%	36.1%	1.3%
Comfort Systems USA Inc	1.8%	53.3%	1.1%
EMCOR Group Inc	2.2%	62.3%	1.0%

Bottom Contributors 12/31/23 - 3/31/24	Portfolio Weight 3/31/24	Return (%)	Contribution
Lululemon Athletica Inc	0.0%	-23.4%	-0.4%
Rapid7 Inc	0.0%	-12.7%	-0.3%
PayPal Holdings Inc	0.0%	-11.7%	-0.2%
Apple Inc	0.0%	-4.8%	-0.2%
Antero Midstream Corp	0.0%	-5.4%	-0.1%

#### (1st Quarter Cont'd from pg 1)

the fund's stocks are expected to have better growth than S&P 500 companies, the fund's price/earnings to growth rate (PEG) was lower at 1.25x versus 1.98x for the index. We consider this a better metric for finding attractively priced growth stocks with reasonable valuations than a price/earnings ratio alone.

### 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**

### Disclosure Continued

**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.

The price/earnings-to-growth, or PEG ratio is a valuation metric used for stocks. PEG builds on the P/E ratio by considering expected earnings growth and not just current earnings. A PEG ratio of under 1.0 can indicate a stock is undervalued and a potential buy. A PEG above 1.0 can indicate an overvalued stock.

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 March 31, 2024 the Chase Growth Fund held 2.2% Alphabet Inc., 4.4% Amazon Com Inc., 0.0% Apple Inc., 4.0% Meta Platforms Inc., 5.0% Microsoft Corp., 4.9% Nvidia Corp., 0.0% Tesla Inc., 1.3% O'Reilly Automotive Inc., 1.4% Vertex Pharmaceuticals Inc., 3.3% Vertiv Holdings Co., 2.2% EMCOR Group Inc., 0.0% Lululemon Athletica Inc., 0.0% Rapid7 Inc., 0.0% PayPal Holdings Inc., 1.8% Comfort Systems USA Inc., & 0.0% Antero Midstream Corp.

### 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.

**S&P 500® Growth Index** is a stock index administered by Standard & Poor's-Dow Jones Indices. As its name suggests, the purpose of the index is to serve as a proxy for growth companies included in the S&P 500. The index identifies growth stocks using three factors: sales growth, the ratio of earnings change to price, and momentum.

**S&P 500® Value Index** measures the performance of the large-capitalization value sector in the US equity market. It is a subset of the S&P 500 Index and consists of those stocks in the S&P 500 Index exhibiting the strongest value characteristics.

**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 S&P 500® Momentum Index** is designed to measure the performance of securities in the S&P 500 universe that exhibit persistence in their relative performance.

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.