



Chase Investment Counsel Corporation
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This Brochure is required by the Investment Advisers Act of 1940. It provides information about the qualifications and business practices of Chase Investment Counsel Corporation. If you have any questions about the contents of this brochure, please contact us at 434-293-9104 or sales@chaseinv.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Chase Investment Counsel Corporation is available on the SEC's website at www.adviserinfo.sec.gov.

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, contain information you should use to evaluate us (as well as other advisers) when you make your decision to hire us or to continue to maintain a mutually beneficial relationship.

Material Changes

Peter C. Wood, Senior Vice President, retired from the firm March 31, 2012.

We may update this Brochure at any time and either send you a copy or offer to send you a copy either by electronic means (email) or in hard copy form. If you would like another copy of this Brochure, you may download it from the SEC website as indicated above, or contact our Chief Compliance Officer (CCO), Jennifer King at 434-293-9104 or jenniferking@chaseinv.com.

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ADVISORY BUSINESS

Our History

Chase Investment Counsel Corporation is a registered investment adviser located in Charlottesville, Virginia. The company was founded as a sole proprietorship by Derwood S. Chase, Jr. and registered with the SEC in 1957. It was incorporated in 1964. It is the oldest independent registered investment adviser domiciled in the Commonwealth of Virginia. Mr. Chase remains the Chairman and CEO of the firm, which is 100% privately owned, and is its principal owner.

Our Services

We offer separate account management services in large-capitalization (cap), mid-cap and all-cap growth stock strategies to a variety of clients, including retirement, endowment, foundation, personal and family accounts. Certain of these accounts have a portion of fixed-income assets, such as bonds, in addition to the stocks. We also are the investment adviser to the Chase Growth Fund (CHASX and CHAIX) and the Chase Mid-Cap Growth Fund (CHAMX and CHIMX), which use the same investment philosophy and strategy as our separate accounts.

Additionally, we may act as a sub-adviser for other mutual funds, other registered investment advisers, and/or variable annuities. We also may provide advisory services for a model portfolio arrangement. We do not sponsor any wrap fee programs.

Mr. Chase consults and conducts analysis on oil and gas and other alternative investments such as private placements and venture capital for certain qualifying clients.

Some of our clients may have different investment goals or requirements than others. For example, certain clients may have a long-term investment horizon while others may have a shorter-term horizon. Or, a client may not want to buy the stocks of companies that are involved in the production of defense materials, tobacco, alcohol, etc. Therefore, we may buy or sell a certain stock for one client and not another. We make every effort to comply with your wishes regarding social, religious, and/or political investment restrictions. However, you should be aware that if we do not have complete investment discretion, your account's performance may deviate from that of our fully discretionary accounts. Please see **INVESTMENT DISCRETION** below for more information.

Our Assets Under Management

We manage accounts on both a discretionary and a non-discretionary basis. As of December 31, 2011 we managed \$665,000,000 for discretionary accounts and \$26,000,000 for non-discretionary accounts.

FEES & COMPENSATION

Separately Managed Accounts

Our separately managed account advisory fees are based on account type:

Large-Cap and All-Cap Equity Account Fee Schedule

0.72% on the first..... \$5,000,000

0.60% on the next..... \$5,000,000

0.50% on the next..... \$40,000,000

0.40% on the balance above \$50,000,000.

Subject to a \$3,000,000 minimum account size

Balanced Account Fee Schedule

0.80% on the first..... \$3,000,000

0.60% on the next..... \$7,000,000

0.50% on the next..... \$40,000,000

0.40% on the balance above \$50,000,000.

Subject to a \$3,000,000 minimum account size

Mid-Cap Equity Account Fee Schedule

0.95% on the first..... \$1,000,000

0.70% on the next.....\$9,000,000

0.60% on the next..... \$40,000,000

0.50% on the next..... \$50,000,000

0.40% on the balance above \$100,000,000.

Subject to a \$1,000,000 minimum account size

Fixed Income Funds

0.50% on the first..... \$5,000,000

0.40% on the next..... \$5,000,000

0.35% on the next..... \$10,000,000

0.25% on the balance.

Advisory Services for Model Portfolio

0.50% on the first..... \$10,000,000

0.40% on the balance

Please note that our fees do not include any fees that may be charged by your custodian, executing brokers or governmental agencies, for example:

- Transaction Fees
- Exchange Fees
- SEC Fees
- Custodial Fees
- Wire Transfer Fees
- Mutual Fund Administrative Fees

- Deferred Sales Charges
- Transfer Taxes
- Electronic Fund Processing Fees

We bill advisory fees on a quarterly basis (in arrears) based on the market value of account assets on the last day of the billing period. For example, our fee for the quarter from January 1st through March 31st would be calculated based upon your account's value on March 31st. You would receive the bill for this period in April. If you were to make any significant deposits into or withdrawals from your account during a quarter, your bill would be prorated to reflect them.

If you request, you can be billed in advance or on a non-quarterly basis. Should you terminate your account, we will refund prepaid fees on a prorated basis if we are given thirty (30) days notice of the termination. Fees billed in arrears are billed through the 30 day notice period.

We bill you directly unless we receive written notice that invoices are to be sent to your custodian for payment. The custodian will send you account statements on a quarterly basis, if not more frequently. We urge you to review these statements carefully and make sure that all fee disbursements are recorded accurately.

Our fees for separately managed accounts may be negotiable based on the account size, its complexity and/or the existence of related accounts. In some related client groups, we may compute fees on a combined basis. Minimum fees or rates may be higher for non-discretionary accounts and for accounts with assets valued below our current minimum. Long-standing balanced accounts, where a client controls which stocks he or she wants to buy, hold or sell, may be billed at our fixed income rate. Long-standing accounts may be subject to previously established minimum fees and rates. We may temporarily waive the minimum annual fee on long-standing accounts if the value of an account declined substantially due to market conditions or in anticipation of substantial additions.

We do not employ anyone that receives (either directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for your account or to which we provide consulting services. As a result, we are a "fee only" investment adviser.

Please refer to **BROKERAGE PRACTICES** below for additional information regarding brokerage fees and services.

Chase Growth Funds

Mutual fund expenses are reflected in a fund's annual operating expense ratio. The operating expense ratio includes our advisory fee and the shareholder servicing fee as well as other expenses involved in managing a mutual fund. The table below details our fees for each of our funds, as well as the overall fund expense ratio.

<i>Fund</i>	<i>Share Class</i>	<i>Ticker Symbol</i>	<i>Advisory Fee</i>	<i>Shareholder Servicing Fee</i>	<i>Total Annual Operating Expense Ratio</i>
Chase Growth	N Class	CHASX	0.75%	0.25%	1.24%
Chase Growth	Institutional Class	CHAIX	0.75%	None	0.99%
Chase Mid-Cap Growth	N Class	CHAMX	0.75%	0.25%	2.00%*
Chase Mid-Cap Growth	Institutional Class	CHIMX	0.75%	None	1.75%*

* The annual fund operating expense ratio for the Chase Mid Cap Growth Fund N Class and Institutional Class is 2.00% and 1.75% respectively. However, the cost now to you as a shareholder is limited to 1.48% and 1.23% respectively because we have agreed to waive a portion of our fee indefinitely to keep the ratio at this level. The 1.48% and 1.23% do not include acquired fund fees if we have a small portion invested in a money market fund, exchange-traded fund (ETF) or other specialized fund, and expenses.

Advisory Fees and Shareholder Servicing Fees are calculated upon net assets under management. The Total Annual Operating Expense Ratio is subject to change.

We use a different source for our closing prices on NASDAQ stocks than the Funds' transfer agent. As a result, the prices on NASDAQ stocks in the Funds may be different from those same stocks in our separately managed accounts.

We recommend that you visit our website at www.chasegrowthfunds.com and read the fund prospectuses for more information.

Consulting Fees

We occasionally offer consulting services at the rate of \$750/hour. Consulting services include but are not limited to the valuation of private companies for estate or gift tax purposes, one-time portfolio reviews, and special client projects.

One of our Directors and one of our investment professionals offer consulting and due diligence analysis for oil and gas projects and other alternative investments (such as private placements). One-time fees are assessed based on a percentage of your investment in each project: 3.5% for investment advisory clients and 4% for consultant-only clients.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (“performance-based fees”) which could motivate a manager to take excessive risk. Our advisory fee compensation is charged only as disclosed above in the **FEES AND COMPENSATION** section.

TYPES OF CLIENTS

We provide investment advisory services to a variety of clients including:

- Individuals
- Partnerships
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Taft-Hartley plans
- Governmental plans
- Municipalities
- Not-for-profit entities

Separately managed accounts are subject to an account size minimum. Minimums may be waived for clients with multiple or related accounts. The account minimums are as follows:

- Large-Cap and All-Cap Equity Accounts - \$3 million
- Balanced Accounts - \$3 million
- Mid-Cap Equity Accounts - \$1 million
- Fixed Income Accounts - \$3 million

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Methods of Analysis

Our portfolios are managed on a team-basis by our investment professionals:

- Brian J. Lazorishak, CFA, CIC, CIPM, CMT
Senior Vice President, Senior Quantitative Analyst and Portfolio Manager
- Peter W. Tuz, CFA
President and Director, Senior Security Analyst and Sector Portfolio Manager
- Robert C. “Buck” Klintworth, CMT
Vice President, Assistant Portfolio Manager & Quantitative Analyst

All portfolios are managed by our investment professionals, Brian J. Lazorishak, CFA, CIC, CIPM, CMT, Peter W. Tuz, CFA, and Robert C. Klintworth, CMT. Mr. Lazorishak serves as the primary portfolio manager for large-cap, all-cap and balanced portfolios with sector/stock specific inputs from Mr. Tuz and technical/quantitative inputs from Mr. Klintworth. For mid-cap portfolios, Mr. Lazorishak and Mr. Klintworth serve as co-portfolio managers with stock specific inputs from Mr. Tuz. Derwood S. Chase, Jr., CIC, supports the team as mentor and strategist.

We use a “bottom-up” approach to choose the stocks in our portfolios. This means that we buy and sell stocks based on their individual merits instead of looking for stocks that fit a pre-determined opinion about the market or the economy (a method called “top-down” investing).

Beginning with the universe of growth companies, we look at certain characteristics of each stock, searching for what we consider to be positive growth indicators. We then analyze those stocks that pass our initial screen to confirm these factors, identify what drives their performance and assess any potential risks of the companies. Typically, your portfolio will be invested in 35-45 stocks. As a result, each holding has a significant weight in your portfolio and only the best candidates are considered for purchase.

There are four reasons why we may sell a stock in your portfolio:

- We feel that it has become fully valued and we can’t raise its sell target any farther;
- The company’s fundamentals start to fail;
- The stock or industry’s technical factors begin to fail; and/or,
- Another stock is more attractive.

Investment Strategy

Our investment philosophy is growth at a reasonable price. We invest in the common stock of companies with the potential for growth, but we don’t want to pay too much for that growth. We look for companies:

- with solid financials and a history of fairly consistent growth; and,
- that meet or exceed a range of certain technical criteria.

We apply this strategy to two groups of companies:

- Large-Cap companies – greater than \$5 billion in market cap
- Mid-Cap companies – mostly between \$1 billion and \$15 billion in market cap

When we first buy a stock for our portfolios, we believe the stock is attractive for at least the next 12-18 months (an “intermediate” time horizon). We may hold it longer if it continues to show strength past that period or we may sell it sooner if it violates our sell criteria. We do not normally engage in short-term trading, short sales or the use of uncovered options. We occasionally use covered options, such as selling a call option on part of an existing long position.

Risk of Loss

You should be aware that buying any security involves the risk of losing your original investment. Any gain from the increase in the value of a stock is also at risk until your position in that stock is sold and you realize that gain. Typical investment risks include a drop in a security's price due to a company-specific event (such as an earnings disappointment), general market activity (as in a "bear" market when stock values fall in general), or a rise in prevailing interest rates. While we will do our best in the management of your assets, we cannot guarantee any level of performance or that you will not experience a loss on your account assets.

DISCIPLINARY INFORMATION

None

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

We are the investment adviser to the Chase Growth Fund and the Chase Mid-Cap Growth Fund, which are distributed through Quasar Distributors, LLC. Currently, two of our employees are also registered representatives of Quasar.

Our current board of directors has ten members, three of whom are affiliated with financial industry-related companies.

- James B. Hoover is partially retired from the accounting firm of Brown, Edwards & Company, LLP. He still periodically renders some services to Brown, Edwards.
- Gordon M. Marchand is a Principal with the investment advisory firm, Sustainable Growth Advisers, LP.
- Robert J. King is a Principal of King Associates, L.C., an investment adviser registered by the Commonwealth of Virginia.

We do not have any new business arrangements with Mr. Hoover, Mr. Marchand, or Mr. King, or with their firms.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

As required by regulation, we have adopted a Code of Ethics that governs a number of potential conflicts of interest we face when providing our advisory services to you. This Code is designed to ensure we always put your interests first (fulfill our fiduciary duty to you), maintain a high standard of business conduct and hold ourselves accountable to federal securities regulations.

Our Code, along with the rest of our compliance program, is designed to prevent and detect violations of securities laws.

We require our employees, our directors and our outside solicitors to agree that they have read and will abide by the rules outlined in the Code; they must certify this both when they join the firm, and then annually each January.

Our Code includes the following:

- Our fiduciary duty to you as our client
- A prohibition against insider trading
- Compliance with all applicable federal securities laws
- Rules regarding maintaining the confidentiality of your information
- A requirement to report any violation of the Code to the Chief Compliance Officer
- Limits on accepting gifts and entertainment
- A pre-clearance requirement on political contributions
- Requirements on personal trading, including the pre-clearance of certain types of transactions and a prohibition on employees investing in IPOs
- Reporting requirements (on a quarterly and yearly basis) of personal securities transactions as well a requirement to provide duplicate copies of account statements and trade confirmations.

Our employees are allowed to maintain personal trading accounts. To prevent any conflict of interest, we require that they clear most trading in their personal accounts, including in our mutual funds, with our Chief Compliance Officer before doing the trade. If we are actively trading in the same stock that the employee wants to trade, he or she is not allowed to execute that trade until all client trades have been executed. This ensures that our clients' interests come first.

You may request a complete copy of our Code by contacting us at the address, telephone or email address on the cover page of this document.

BROKERAGE PRACTICES

General Considerations in Brokerage Selection

Our fiduciary duty requires that when we buy and sell securities for your account, we do so in a way that is the most favorable to you in terms of both the cost (the commission rate you pay) and the price at which the trade is completed. This is typically called "best execution."

Commission rate is only one of several factors we consider when choosing a broker. A low-cost broker who is unfamiliar with the stock could run the price up by offering to buy all of the shares for all of our clients at once. While you would end up paying a smaller per-share commission, you would end up paying much more per share for the stock itself than you would have with an experienced broker.

Below is a list of several factors we consider in selecting a broker:

- Is the broker capable of efficiently and effectively executing the trade?
- Is the broker a market maker in the stock, meaning is he or she ready and able to buy or sell the stock at wholesale quoted prices?
- Is the brokerage firm financially solid and able to meet its obligations to settle the trade?

- Is the brokerage firm responsive to issues that may arise in the execution and settlement of the trade?
- Is the brokerage firm providing us research in addition to executing the trade?
- Is the broker charging a commission rate similar to what another broker would charge for a similar trade?
- Does the broker allow us direct access to their trading desk and is he or she familiar with us and our clients' interests?
- Does the broker maintain client confidentiality while executing trades?

We maintain a list of “approved” discretionary brokers which are used to execute your trades. To make sure we are meeting our obligation to seek best execution, we review the performance of our discretionary brokers on a quarterly basis. This list includes brokers that provide just trade execution services as well as those through which we receive soft dollar benefits.

Soft Dollar Benefits

We are a smaller investment firm and do not have a large research staff. As a result, in addition to our own research, we use research and data from numerous external sources. Much of this information is provided to us through the use of “soft dollar” credit, which is generated by the commissions you pay on certain trades we execute for your account. The helpfulness of this outside research may result in your paying a higher commission rate than if we focused only on lowest commission rate.

There are two types of research we receive through the use of “soft dollars”:

- Proprietary in-house research - research compiled by the research departments of large national and regional brokerage firms who sometimes act as the executing broker.
- Third-Party research – independent research and data that are paid for with a part of the commission paid to an executing broker.

We believe that using independent research is important because it is more objective and not biased in favor of any investment banking clients or prospects a brokerage firm may have. While we may pay more to receive the independent research than we would just to execute the trade (“pay up”), the commission rates for Third-Party research brokers have been about the same as Proprietary research oriented brokers with similar transactions.

Accounts that Benefit from Soft Dollar Credit

Please note that commissions from your account may help pay for soft dollar research that we may use in connection with any or all of our clients. It is possible that we may not use all the research or third-party data that your account paid for in connection with your account.

Types of Products and Services Provided by Soft Dollars

During our last fiscal year, our client-generated soft dollar credit was used for the following types of Proprietary and Third-Party research:

- Proprietary
 - Analyst Reports – these include reports on individual stocks, on industry trends and on economic and market research.
 - Access to Analysts – this includes being able to call and speak directly to the analysts who cover the stocks and sectors and to attend brokerage firm-sponsored industry conferences where we can meet with key company executives.
- Third-Party
 - Advisory Services and Newsletters – these firms conduct independent research on stocks, sectors, industries and markets.
 - Stock Data and Research Tools – these tools allow us to look at stocks or companies based on one or more key Technical or Fundamental factors.
 - Research Aggregators and Data Providers – these firms collect and put together data or information on stocks and the markets from multiple sources.
 - Pricing and Trading Related Services – this category includes systems that show current price quotes from the exchanges our stocks trade on, as well as tools that allow us to analyze trades.

Soft dollar credit generated by client accounts in the last fiscal year was also used for a qualifying portion of our trade order management system, which allows us to manage and track the execution of the buy and sell orders for our client accounts. Because only a portion of the expense was provided by soft dollars, it is called a “mixed-use product.”

Procedures for Determining the Use of Soft Dollar Brokers

We try to direct enough commissions to make sure we continue to get the research and products we feel are useful. At the beginning of each year, the members of our investment team and other key employees sit down and review our approved broker list and determine an appropriate internal target amount for each of the soft dollar brokers for that year. We do not make any agreements with brokers on how much trading we will direct to them.

Each time a discretionary block trade is placed, a member of the investment team notes the factors that went into choosing that particular broker to trade that particular stock, including whether any soft dollar credit was received. This soft dollar credit is tracked against the internal target amount.

Each quarter, we hold a “best execution” meeting which reviews:

- Our average commission rate for discretionary trades during the quarter.
- A review of any trades that seem to have been poorly executed.
- Any execution or settlement issues that may have come up during the past quarter.
- The appropriateness of the internal target commission levels.
- The need to add any new brokers or to drop any current ones from the approved broker list.

To prevent managers from using brokerage commissions to pay for inappropriate items, such as the cost of travel to a conference, regulators require that the products we receive must meet certain requirements to qualify for what is called “safe harbor.” To qualify:

- The item must fall within the categories of research or brokerage;
- The item must help us in making investment decisions; and,
- We have to make a good-faith determination that the cost of the product is reasonable in relation to the value we receive.

The best execution meeting also includes certification that all of the Proprietary research and products qualify for the safe harbor provision. Each of the Third-Party products are certified individually when they are first purchased and at each renewal for their qualification under the safe harbor provision.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers and therefore do not consider this in choosing a broker to execute your trades.

Trade Aggregation

Combining your buy or sell order for a stock with similar orders for our other clients means we can generally better control the price, transaction costs and other aspects of trade execution than if we were to place each order separately. To obtain the most advantageous execution, when possible, we combine orders for those advisory clients who allow us to choose their brokers (non-directed brokerage accounts) and our mutual funds into one “discretionary trading block” order.

We manage accounts for our own pension and profit sharing plans, as well as certain of our outside directors through their personal separately managed accounts. We may include these accounts in our discretionary trading block along with your account and other investment advisory clients’ accounts, but only when it’s possible to trade the whole block.

Client Directed Brokerage

Generally, our clients give us complete discretion over the brokerage firms that we use to trade for their accounts. However, we understand that you may prefer to direct your trades to a particular brokerage firm to pay for reasonable administrative or other services related to your account.

If you request that we direct your trades to a particular broker, you should be aware that:

- Your trades will lose the possible advantages of being grouped with our other advisory accounts in the discretionary trading block;
- We are required to use that broker even if their execution is not competitive; and,
- You may pay a higher cost to execute the trade.

Sometimes, we are able to incorporate directed brokerage orders into our discretionary trading block through the use of “step-outs.” A step-out is an arrangement where the executing broker agrees to step-out, or give, a portion of the total commission to another

broker. As a result, you would still receive credit with your directed brokerage firm for that transaction even though it was actually executed by a different firm.

If we do not have complete brokerage discretion, your performance returns may deviate from those of our fully discretionary accounts.

Rotational Procedures

You should be aware that we may submit the buy or sell order for our fully discretionary trading block ahead of those separate trades for directed brokerage. When feasible, your order will be grouped with those of other clients who wish to direct through that same brokerage firm, if there are any. To ensure that each directed brokerage client is treated fairly, we rotate the priority in which the directed brokerage block orders are placed after the discretionary trading block is executed.

Block Trading Procedures

We generally determine the number of shares each account in a block trade will receive or sell before we place the trade. This is typically based on a desired percentage weighting of the stock as part of your overall portfolio. Because the block may be buying several hundred thousand shares at a time, the final trade may consist of several “fills,” or blocks of shares bought at different prices. If this happens, we calculate an average price based on all of the fills and apply it to all of the shares in the block.

In some cases, we can’t buy or sell all the shares we need to complete the order in one day. If so, we generally allocate those shares we did buy or sell to all of the accounts in the trading block (eliminating any proprietary accounts) on a pro-rated basis, based on portfolio size and the targeted weighting of that stock. However, the Portfolio Manager may consider other allocation methods, which may reflect an account’s cash position, targeted equity weighting and size.

Principal Trading

We do not engage in principal trading. All trades are executed on an agency basis by an unrelated, third-party brokerage firm.

Cross Trading Transactions

Cross-trading, in which one client buys a security from another client, is prohibited.

REVIEW OF ACCOUNTS

Because of our small size and team structure, several of our senior investment professionals are generally familiar with all accounts. Different aspects of account review take place at different times.

We monitor daily portfolio consistency which includes items such as each account’s equity position versus its target, current buy and sell programs in process and any other

current issues. The investment team meets regularly to discuss investment strategy, current market activity and stock-specific issues.

The CCO reviews our compliance with certain client-imposed restrictions on a weekly basis. Monthly, the CCO reviews each account's holdings against its appropriate model to make sure it is not missing any stocks. This serves as a check against the restrictions in our trading system. Also on a monthly basis, the Senior Portfolio Manager reviews those accounts that are the sole holders of certain stocks sometimes held for tax reasons or as directed by the client. This serves also as a double-check of our trading system.

When we enter a buy or sell order for a stock into our trading system, it will alert us to any accounts that were "held out" – i.e., were excluded from participating in that order. An account could be held out for a variety of reasons; for example, the account may not have enough cash, or the client does not want us to hold that stock for his portfolio. Typically, we place buy or sell orders across a group of similar accounts, such as the large-cap trading group. When we enter these trades, the list of "held out" accounts is printed out with two copies. One is kept by the trader; the other is reviewed by the CCO for appropriateness. If needed, the CCO will bring these accounts to the attention of a Portfolio Manager for resolution.

Quarterly Reporting Packages

We typically prepare a written quarterly portfolio tabulation report on each account. These reports, which can be sent directly to you, and/or to your representative, generally include:

- Details of the individual security positions, including the number of shares, cost, current market value and industry and sector diversification of the securities in your account;
- The time-weighted investment performance of your account, including comparison to the relevant benchmarks;
- Details on the five largest buys and sells for your account during the period;
- A summary of key portfolio characteristics for the composite (group of similar portfolios) to which your account belongs;
- Details on which sectors and stocks contributed most to the performance of the appropriate composite during the quarter;
- Any custom reports you may require; and,
- Our current market commentary.

Each tabulation report is reviewed by a senior investment professional before being sent.

Client Meetings

We welcome meeting with our clients, and prefer to let you set the schedule so we can best meet your needs. Normally we meet with clients in person once or twice a year, with any other meetings held via conference call. Meetings will typically include at least one member of the investment team. Members of our investment team and operations personnel are also available to speak with you by phone if you have any specific questions about your account.

CLIENT REFERRALS & OTHER COMPENSATION

We seek the best combination of price and execution in trading for our client accounts. We do not have any agreements with any broker to pay them for client referrals, either directly or indirectly. When we think more than one broker is capable of providing the best combination of price and execution, we may use a broker in recognition of referrals or knowledge of the client. However, when we control commission rates, we do not pay higher rates than those paid to other brokers.

There are certain broker-dealers, such as Schwab, Fidelity and TD Ameritrade which make our mutual funds available to their clients on their fund platforms. In order to be included on those platforms we have to pay them a regular periodic fee based on the amount of fund assets on their platforms. The rates differ from dealer to dealer and may be as much as 0.40% per year of the average fund assets for the period involved. As a result of our separately managed account relationships, we have entered into agreements with two shareholder servicing agents that are paid a percentage of their assets that are invested in our mutual funds.

We may reward our employees through bonuses or increased salary for developing new business. We do not charge our clients any higher fee as a result of this compensation arrangement.

We have entered into Consulting Agreements with Stuart F. Chase, one of our Directors, and Derwood S. Chase, Jr., our Chairman and CEO, who may:

- locate and analyze oil and gas and other alternative investments, such as private placements;
- negotiate terms for these types of investments;
- provide due diligence for qualified investors for these investments; and
- provide sales and customer service to these qualified investors.

Under these Agreements, we will pay them a portion of the consulting fees we receive from those clients which invest in oil and gas and other alternative investments, such as private placements.

We may agree to pay cash to outside parties called solicitors who bring in clients for us. These agreements require that the solicitor tell a client certain facts about his role with us and that he comply with other terms of Rule 206(4)-3 of the Investment Advisers Act.

CUSTODY

While we do not take physical custody of client assets, we are deemed to have custody only because we will directly bill our investment advisory fee to your custodial account if you authorize us to do so. We are also deemed to have custody of our own managed pension and profit sharing plans that are physically held in bank custody accounts.

We urge you to carefully compare the account statements you get from us as part of your quarterly report with the statements you receive from your qualified custodian. Please note that the statements may differ slightly because:

- A trade may have taken place at the end of a month and not settled before the custodian's statement closed. We reflect transactions as of the trade date while custodians typically won't reflect a trade until it settles three days later.
- We accrue for dividends declared on stocks while your custodian may not reflect them until they are actually paid.
- We do not accrue for money market interest but your custodian may.
- We may use a different pricing service for stocks than your custodian does.

Please note that for tax and other purposes, the custodial statement is the official record of your account(s) and assets.

INVESTMENT DISCRETION

Our investment advisory agreement allows us to make investment decisions for your account without checking with you in advance (Investment Discretion). We use this investment discretion to choose which publicly traded securities to buy, sell and hold for your account, as well as the quantities of such securities. However, in many cases we will agree to use this discretion within certain investment guidelines that you might provide. These guidelines might relate to your investment focus, objective and/or strategy.

Your investment restrictions could also include:

- A prohibition and/or size limit on investing in certain types of securities, such as IPOs.
- A prohibition and/or size limit on investing in securities in a specific industry, such as alcohol or defense.
- A prohibition and/or size limit on investing in particular securities. For example, if you were a publicly traded company, you might not want us to invest in your own securities, those of your affiliates, or those of your competitors.

Once we have reviewed and agreed to work within your investment restrictions, we will use them to guide decisions on buying and selling securities for your account.

We make every effort to comply with your wishes regarding social and/or political investment restrictions. However, you should be aware that if we do not have complete investment discretion, your account's performance may deviate from that of our fully discretionary accounts.

VOTING CLIENT SECURITIES

Unless you tell us otherwise, we do the proxy voting for securities in your account. We have designed and implemented our proxy voting procedures to make sure that proxy matters are handled in your best interest. The procedures reflect the nature of our advisory business and the types of portfolios and securities that we manage.

We cast each vote on a case-by-case basis after we take into consideration our obligations under the investment advisory agreement along with all other relevant facts and circumstances that are available at the time of the vote.

We will follow specific proxy-voting guidelines if you provide them to us in writing.

You can specify that we include a proxy voting report for your account as part of your quarterly portfolio tabulation or we can provide you with one upon request.

It is possible that we may vote proxies for companies in your account while at the same time the stock is also held by:

- Our mutual funds, which we also vote proxies for,
- Our employees, or
- A related person, such as a member of our Board of Directors

Any conflicts of interest are resolved by using our pre-determined policies.

We do not charge you an additional management fee if we vote your proxies, nor do we reduce our management fee if you choose to vote them yourself.

If you would like a copy of our Proxy Voting Policy, or have any questions about any particular proxy solicitation, please contact us at the phone number listed on the cover of this brochure.

FINANCIAL INFORMATION

We are not aware of any current financial condition that would prevent us from fulfilling our contractual obligations to our clients. We typically maintain over \$2 million in net worth.