

JUNE 30, 2019



VICE FUND

## INVESTMENT OBJECTIVE

The investment objective of the Vice Fund is long-term growth of capital.

Cumulative Total Return Since Inception\*

**VICEX:** S&P 500 TR Index:  
**345.81%** 352.79%

## MANAGEMENT PHILOSOPHY

- Emphasis on dividend paying companies with positive cash flow and adequate debt service coverage.
- Preference for dividend paying companies with the ability to grow dividends in the future.
- Heavy emphasis on financial analysis to avoid companies with “red flags” in financials, burden-some pension obligations and recurring write-offs.

## INVESTMENT STRATEGY

- Maintain a portfolio of equity investments in tobacco, alcoholic beverages, gaming, and aerospace/defense industries which management has identified as having high barriers to entry and more predictable customers than the market on average.
- Target 20% allocation to each industry.
- Target individual company exposure to less than 5% of total portfolio.
- Reallocate monthly using disciplined portfolio strategy.
- Strategically utilize options to rebalance portfolio and take advantage of volatility pricing in an attempt to generate premium income.

## SHARE CLASS SUMMARY

SHARE CLASS	TICKER	CUSIP
Investor	VICEX	90347D203
Class A	VICAX	90347D302
Class C	VICCX	90347D401
Institutional	VICVX	90347D104

The Vice Fund is designed for investors seeking to capture better long-term risk-adjusted returns than the S&P 500 Index by investing in stocks within industries that demonstrate significant barriers to entry, including alcoholic beverages, defense/aerospace, gaming and tobacco industries.

## GROWTH OF \$10,000 & ANNUAL RETURNS

As of 6/30/2019



This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on August 30, 2002 following its inception. Assumes reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales charge or redemption fees. This chart does not imply any future performance.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD
ANNUAL RETURNS	-6%	34%	24%	6%	23%	18%	-37%	26%	18%	11%	21%	32%	14%	3%	12%	26%	-4%	19%
	-21%	29%	11%	5%	16%	5%	-42%	13%	15%	2%	16%	32%	1%	1%	9%	22%	-21%	18%

## AVERAGE ANNUALIZED TOTAL RETURN PERFORMANCE

As of 6/30/2019

SHARE CLASS/BENCHMARK	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
<b>Investor Class</b>	<b>-1.44%</b>	<b>6.35%</b>	<b>5.04%</b>	<b>12.00%</b>	<b>9.29%</b>
S&P 500 TR Index	10.42%	14.19%	10.71%	14.70%	9.39%
Class A w/ Load	-7.07%	4.23%	3.78%	-	9.98%
Class A w/o Load	-1.41%	6.31%	5.01%	-	10.85%
Class C w/ Load	-3.17%	5.59%	4.27%	-	10.05%
Class C w/o Load	-2.19%	5.59%	4.27%	-	10.05%
Institutional Class	-1.19%	6.69%	5.34%	-	5.54%

\*Inception: 8/30/2002 (Investor), 12/08/2011 (Class A & C), 4/1/2014

The gross expense ratio for the fund is 1.53% (A), 2.28% (C), 1.28% (I) and 1.53% (Inv.). The net expense ratio for the fund is 1.49% (A), 2.24% (C), 1.24% (I) and 1.49% (Inv.). Contractual fee waivers through 7/31/19. 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. Performance data current to the most recent month end may be obtained by calling 1-866-264-8783. In addition, performance for Class A shares may reflect a CDSC of 1.00% if certain conditions apply. Please see the fund prospectus for further details. Performance shown including load reflects the Class A Maximum Sales Charge of 5.75% and Class C Maximum Sales Charge of 1.00% on shares redeemed within 12 months of purchase.

## PORTFOLIO SUMMARY || As of 6/30/2019

PORTFOLIO CHARACTERISTICS	PORTFOLIO WEIGHT
Brown Forman Corp	5.13%
Galaxy Entertainment	5.05%
Churchill Downs Inc	5.04%
Wynn Resorts Ltd	5.04%
Las Vegas Sands Corp	4.91%
Constellation Brands Inc	4.89%
Diageo P L C	4.65%
Boeing Co	4.39%
Lockheed Martin Corp	4.34%
Raytheon Co	4.01%

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

PORTFOLIO CHARACTERISTICS	VICE FUND	S&P 500 INDEX
Net Total Assets (\$US)	\$157,350,000.00	-
Number of Equity Holdings	38	505
% in Top 10 Holdings	47.50%	21.60%

**DEFINITIONS:**

The S&P 500 Total Return Index® ("S&P 500 TR") is considered to be generally representative of the U.S. large capitalization stock market as a whole. You cannot invest directly in an index.

**The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other information about the investment company, and they may be obtained by contacting 866.264.8783 or going to [www.usamutuals.com](http://www.usamutuals.com). Read it carefully before investing.**

*Mutual fund investing involves risk; principal loss is possible. The Fund will concentrate its net assets in industries that have significant barriers to entry including the alcoholic beverages, tobacco, gaming and defense/aerospace industries, the Fund may be subject to the risks affecting those industries, including the risk that the securities of companies within those industries will underperform due to adverse economic conditions, regulatory or legislative changes or increased competition affecting those industries, more than would a fund that invests in a wide variety of industries. The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. The Fund invests in smaller companies, which involve additional risks, such as limited liquidity and greater volatility. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could result in losing more than the amount invested. If a security sold short increases in price, the Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss.*

The USA Mutuals Funds are distributed by Compass Distributors, LLC.

SENIOR PORTFOLIO  
MANAGER

Jordan Waldrep, CFA



Mr. Waldrep has been a portfolio manager of the Vice Fund since 2017. Previously, Mr. Waldrep was a founder and principal at Blackfin Capital acting as the portfolio manager of two equity portfolios. He also served as a principal at Hourglass Capital where he was responsible for research and trading in a long/short hedge fund and several equity portfolios. Mr. Waldrep received his MBA from the University of Texas, McCombs School of Business in 2004 and his bachelor's degree from Texas A&M University in 1999. Mr. Waldrep is also a Chartered Financial Analyst.

## INVESTMENT INFORMATION

**Minimum Investment:**

Taxable Accounts - \$2,000

Retirement Accounts - \$100

**Distribution Schedule:**

Income - Semi Annually

Capital Gains - Annually

## CONTACT

**General/Shareholder Inquiries**

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