



Vice Fund Commentary  
May 2021

For the month of May, the Fund was -1.07%.

### Market Review

Global equity markets were generally flat in May with small upticks in the U.S. and globally. Notably, volatility has dropped to near pre-pandemic levels in both equity and bond markets. Fears of moving back to lockdown economics have receded. We believe this is a positive development for our portfolio positioning, particularly gaming stocks.

As pandemic fears have receded, reflationary forces began pushing up cyclical and commodities early in the month. Near-term inflation in May was very much a classic supply-demand imbalance caused by supply chain delays during the pandemic. As the supply component of the equation recovers, we believe demand during the re-open will continue to be strong, particularly in our gaming stocks.

Moreover, the Fund invests a large portion of the portfolio in non-cyclical stocks. Historically, alcohol and tobacco are fairly insulated from inflation with brand loyalty and price inelasticity. We believe these stocks will continue to do well even if prices continue to rise and this reflationary period is more that transitory.

Despite this near-term inflation, credit markets are not reflecting fears of long-term hot inflation since the 10-year Treasury Note remains stuck around a 1.5% yield. In short, we believe consumer discretionary stocks – the core names in the Vice Global Fund – will perform well even with some inflation, and bond markets appear priced for this type of set up.

We remain bullish on equities in the Fund's universe of stocks, especially foreign and small-cap stocks, in the near-term. We continue to position the portfolio for continued weakness in the U.S. dollar, a rise in raw materials, and increased consumer spending.

Sincerely yours,

Paul Strehle

**Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Share prices and investment returns fluctuate and an investor's shares may be worth more or less than original cost upon redemption. For performance data as of the most recent month-end please call 1-866-264-8783.**

**Standardized performance as of (3/31/2021) Fund Inception (02/01/2002)**

	1 Year	5 Year	10 Year	Since Inception
VICEX	47.26%	7.13%	9.74%	9.17%
MSCI World Index	55.31%	13.81%	9.73%	9.45%

Investor Class performance data quoted represents past performance; past performance 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. Returns over one year are annualized. The Gross and Net expense 1.67% and 1.49%. Contractual fee waivers through 07/31/2021.

**DEFINITIONS:**

**The MSCI All Country World Index Total Return ("MSCI ACWI TR")** captures large and mid-cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries.

**Important Disclosures**

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*Northern Lights Distributors, LLC and USA Mutual Advisors, Inc. are not affiliated. The USA Mutuals Funds are distributed by Northern Lights Distributors, LLC.*

**IMPORTANT RISK INFORMATION:**

*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.*

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