



Vice Fund (VICEX) Commentary
August 2023

The Vice Fund ended the month of August with a return of -4.19%.

Market Review

In August, the narrow leadership equity rally of 2023 took a pause. Global equities finished lower as the so-called “Magnificent Seven” (the 7 mega cap growth stocks responsible for over 75% of the Nasdaq gains in 2023) had mixed results. Further, Fitch Ratings downgraded U.S. long-term debt from AAA to AA+. China economic concerns also weighed down equities with rising deflation fears after an unexpected China rate cut.

Despite these cracks, macro news was encouraging for the bulls. Inflation continued to fall, and the labor market softened slightly, but not too softly. The Fed still has a narrow path for an economic soft landing. Fed Chair Powell in Jackson Hole took a middle-of-the-road stance. Powell will continue to “proceed carefully” while assessing incoming economic data. Fed fund futures indicate no change to rates when the Fed meets in September.

The Vice fund followed global equities lower in the month. The primary driver has been the sell-off in some military defense stocks and China economic fears spilling over to Macau casino stocks. Further, Raytheon continues to slide after an engine manufacturing flaw in its Pratt & Whitney unit. The fund remains committed to both industries as military defense remains in the forefront post Ukraine invasion and the Chinese public resumes normalization after a long Covid lockdown.

Sincerely yours,

Paul Strehle

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call 1-800-MUTUALS or visit our website at www.USAMutuals.com. Read the prospectus or summary prospectus carefully before investing.

Standardized performance as of (6/30/2023) Fund Inception (02/01/2002)

	1 Year	5 Year	10 Year	Since Inception
VICEX	8.93%	1.39%	5.58%	7.87%
MSCI World Index	17.13%	8.64%	9.31%	8.72%

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 1.98% and 1.73%. Contractual fee waivers through 07/31/2024.

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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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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fundinfo@USAMutuals.com
1-800-MUTUALS
www.USAMutuals.com