



Vice Fund (VICEX) Commentary
May 2023

The Vice Fund ended the month of May with a return of -2.62%

Market Review

In May, Artificial Intelligence (AI) dominated headlines globally. As a result, growth stocks hugely outperformed value stocks with speculators trying to find the next big AI stock. An example of the month's equity market dispersion was illustrated in the returns of the two Russell small-cap indices. The Russell 1000 small cap growth index was up +4.6% and the Russell small cap value index was down -3.9%. The breadth of the equity market rally remains narrow.

On the rate front, the Federal Reserve hiked interest rates at the May meeting, but Fed Chair Powell said the FOMC may pause future rate hikes. He further added that we are closer to the end of the tightening cycle than the beginning. In his words, future rate decisions would be "data dependent." It does appear inflation is moderating. However, inflation remains a long way from the Fed's 2% target rate.

In Washington, both parties brokered a debt-limit deal. A worst-case US default appears averted until the next go-round. In the near term, this deal allayed fears with the CBOE Volatility Index (VIX) dropping by the end of May and into June. As we move closer to the 2024 election cycle, we believe the debt deal brokered in May is the last time we will see the parties compromise on anything important. But at the moment, markets expect a summer of mild moves based on pricing in the volatility markets.

The Vice Fund's down month was a combination of two main factors. 1) Value stocks suffered at the expense of growth stocks rally and 2) Casino stocks sold off on earnings. The Fund continues to monitor Macau casino holdings after two years of volatility. We believe these stocks are poised for growth as China continues to re-open. We also believe Military Defense stocks are poised to rally barring a macro-economic sell-off. These stocks have generally been flat since the initial rally after the Russian invasion. As contracts pick up pace, these companies' bottom lines will stand to benefit from increased defense spend.

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 (3/31/2023) Fund Inception (02/01/2002)

	1 Year	5 Year	10 Year	Since Inception
VICEX	9.05%	0.74%	5.94%	8.06%
MSCI World Index	-6.96%	7.46%	8.62%	8.51%

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 1.64% and 1.49%. Contractual fee waivers through 07/31/2023.

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.

CBOE Volatility Index (VIX): VIX is the ticker symbol and the popular name for the Chicago Board Options Exchange's CBOE Volatility Index, a popular measure of the stock market's expectation of volatility based on S&P 500 index options.

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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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