



Vice Fund (VICEX) Commentary  
May 2024

The Vice Fund ended the month of May with a return of +0.71%.

Market Review

In the month of May, corporate earnings growth was better than expected and economic data showed signs of disinflation. The Nasdaq, S&P 500, and Dow Jones reached new all-time highs. However, the market breadth was narrow. More than half of the S&P 500's May gains were attributed to four mega-cap tech stocks. We believe this narrow group of mega-cap tech stocks has the potential to cause more volatility for equity indices than investors are prepared for.

Economic data in May was slightly softer than expected. Gross Domestic Product, consumer price index, retail sales, and job creation were all lower than expected. The disinflation narrative from these weak numbers led some investors to expect rate cuts in the near future, fueling the rally. Fed fund futures were pricing in a 60% chance of a rate cut at the September Federal Open Market Committee meeting.

The Vice Fund remains committed to its core belief that certain stocks are undervalued because certain factions of society deem them morally questionable. Our core holdings remain military defense, casino, alcohol, and tobacco stocks because they typically have an inelastic customer base that is unlikely to be swayed by whether the product price rises or falls.

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](http://www.USAMutuals.com). Read the prospectus or summary prospectus carefully before investing.

**Standardized performance as of (3/31/2024) Fund Inception (08/30/2002)**

	1 Year	5 Year	10 Year	Since Inception
VICEX	-1.44%	2.33%	3.70%	7.60%
MSCI World Index	23.81%	11.45%	9.22%	10.80%

**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 are 1.98% and 1.73%. The Fund's adviser, USA Mutuals Advisors, Inc. (the "Adviser"), has contractually agreed to reduce its fees and/or absorb expenses of the Fund, until July 31, 2024, to ensure that total annual fund operating expenses after fee waiver and reimbursement will not exceed 1.48% of the Fund's average daily net assets for each share class.

#### **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.

**S&P 500 Index:** An unmanaged composite of 500 large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. You cannot invest directly in an index.

**Volatility** - The degree of variation of a trading price series over time, usually measured by the standard deviation of logarithmic returns.

**Disinflation** - A reduction in the rate of inflation.

**Nasdaq** - a global electronic marketplace for buying and selling securities.

**Dow Jones** - a price-weighted index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the Nasdaq.

#### **Important Disclosures**

Click here for [Prospectus](#)

*The USA Mutuals Funds are distributed by Northern Lights Distributors, LLC, member [FINRA/SIPC](#). Northern Lights Distributors, LLC and USA Mutual Advisors, Inc. are not affiliated.*

#### **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.*



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