



Vice Fund Commentary
December 2021

For the month of December, the Fund was +6.03%.

Market Review

Global equity markets continued their 2021 rally into December. We believe the emergence of the Omicron variant in late November led to a spike in equity market volatility. However, it is our opinion that ongoing strength in corporate earnings lead to the rise in stock prices in December. There is no guarantee 2022 will have the same Fed low rate “easy money” policy that we believe served as a tailwind to the rally.

Rising inflation is evident in CPI data and we believe this may lead to central bank policy normalization and rising interest rates. We believe the velocity of rising rates is a real risk factor to the equity bull market. Moreover, it is our opinion that today’s short-term rates near zero could potentially force central banks to act more quickly than markets expect.

The Vice Fund benefited from what we believe are signs of potential Chinese government concessions to Macau casino stocks. This comes after heightened fears of Chinese regulators delaying or removing these concessions altogether. It is our opinion that these Macau casino stocks had large sell-offs in 2021 stemming from these fears. We believe the latest news of possible concessions is a positive development in relations.

Moreover, the so-called “Big Tobacco” stocks also gained in December. Many of these companies have begun the transition from burning tobacco to either heat or vapor alternatives. Smoke-free products account for the fastest-growing portion of the market. We believe that brand loyalty is strong in the space and will reward stocks that are diversified from purely combustible cigarettes.

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.

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 (12/31/2021) Fund Inception (02/01/2002)

	1 Year	5 Year	10 Year	Since Inception
VICEX	-1.30%	4.09%	8.27%	8.24%
MSCI World Index	19.04%	14.97%	12.44%	9.80%

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 1.67% and 1.49%. Contractual fee waivers through 07/31/2022.

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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