



Vice Fund (VICEX) Commentary
December 2022

The Vice Fund was +1.35% in December and +3.25% in 2022.

Market Review

We are pleased to report positive returns in 2022 in an unusually challenging year for both equities and bond markets. Both stocks and bonds were negative for only the second time since the S&P's inception. The main driver of the monthly and annual outperformance was the Fund's investment in historically value-oriented dividend-paying stocks relative to growth stocks. This is after a decade-plus of underperforming value stocks.

At the end of 2021, growth stocks had reached relatively frothy levels. The MSCI World Growth Index traded at 31 times the expected earnings, compared with only 14 times the expected earnings for the MSCI World Value Index. This spread narrowed significantly in 2022. Rising rates, the war in Ukraine, and the relaxation of Covid policies all contributed to the spread narrowing.

The Vice Fund is primarily invested in companies that we believe are inelastic in nature. For example, tobacco, alcohol, and the military defense industry are more resilient to rising rates and economic challenges. In particular, the military defense industry was bolstered as Western nations provided aid to Ukraine after the Russian invasion.

It is not lost on the current management team that the Vice Fund has underperformed the growth-heavy broader indices over the last ten-plus years. However, we believe the next ten-plus years will likely be a different experience with the potential for higher interest rates and less government stimulus. In this potential new regime, we believe investing in companies that historically pay dividends and trade at lower P/E ratios may offer an opportunity.

We are grateful for our investors and interest from all parties in our Fund. Please let us know how we can serve you better.

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 (12/31/2022) Fund Inception (02/01/2002)

	1 Year	5 Year	10 Year	Since Inception
VICEX	3.25%	0.07%	6.55%	7.99%
MSCI World Index	-17.96%	5.75%	8.54%	8.23%

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.

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.

6052-NLD-02022023



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