



Vice Fund (VICEX) Commentary  
February 2023

The Vice Fund ended the month of February with a return of -1.38%.

Market Review

January's equity rally was fueled by the perception of a less hawkish Fed. February was a return to expectations that rates will remain higher for longer. Economic data came in hot to start the month with the nonfarm job payrolls and producer price index higher than expected.

Earnings data reported mostly in line with expectations – however, positive, and negative earnings surprises were rewarded and punished with above average moves post earnings. Technology stocks, in particular, benefited from the lowered earnings expectations coming into the month. Technology stocks outperformed most other sectors.

March will have several economic announcements that may move markets. The Federal Open Market Committee decision on March 22<sup>nd</sup> may offer insights into the rate path in 2023. Although the bond market expects at least another 25bps hike in March, there were some Fed members in favor of a larger 50bps hike in February. Any change to expectations may cause market turmoil with the onset of a fractured Fed.

Alcohol stocks have been a laggard in the Vice fund portfolio thus far in 2023. We believe profit margins will remain high at the largest of the few largest companies that dominate the industry. However, the smaller peers in the group continue to struggle with consolidation in brands outside their main brewing operations. Military defense and casinos continue to reward over the last year. For casinos, the next several months will be telling as Macau casinos continue the reopening process.

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 (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.*

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