



Vice Fund (VICEX) Commentary  
July 2024

The Vice Fund ended the month of July with a return of +3.63%.

### Market Review

In July, equity prices experienced a rotational shift of the market leaders from mega-cap technology stocks to small-cap stocks. Based on implied Fed Fund futures markets, signs of cooling inflation and a weaker jobs market increased the odds of a Federal Reserve rate cut this year and increased the likelihood of an economic soft landing. This July-specific change in investor sentiment has been dubbed “The Great Rotation.”

Thus far, August markets indicate little follow-through on major leadership changes away from mega-cap to small-cap stocks. We believe the important lesson from July is that markets are dynamic, and the current trends, whatever they may be, can change rapidly in a month’s time. In this case, the sky-high expectations for mega-cap quarterly earnings did not help the bull investors’ case.

The bond market's two- and 10-year Treasury yields fell 46 and 32 basis points, respectively. The yield curve also became less inverted over the month. Moreover, Federal Reserve Chair Jerome Powell left a September rate cut firmly on the table, which bodes well for a soft economic landing. After the Producer Price Index and Consumer Price Index releases in mid-August, we believe the Fed will cut by at least twenty-five basis points in September.

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 (6/30/2024) Fund Inception (08/30/2002)

	1 Year	5 Year	10 Year	Since Inception
VICEX	-4.94%	0.66%	2.83%	7.25%
MSCI World Index	19.92%	11.28%	8.99%	9.21%

**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 1.91% 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:

**Bull:** A bull is an investor who thinks the market, a specific security, or an industry is poised to rise. Investors who adopt a bull approach purchase securities under the assumption that they can sell them later at a higher price.

**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. Professional investors widely use this index 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.

### 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.*



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