vicefund

Semi-Annual Report

September 30, 2007

Investment Advisor

MUTUALS ADVISORS

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USA MUTUALS

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LETTER TO SHAREHOLDERS

September 30, 2007

Dear Fellow Shareholders,

The ramifications of spiking mortgage default rates have just begun to unfold. Indeed, the event has shaken the global credit markets to the core, and we believe the eye of the storm has yet to pass. Add to that rising commodity prices, a weakening U.S. dollar, a sharp housing slowdown, signs of a slowing economy, and continued debt write-downs, and there's plenty of angst in today's market environment. No doubt, these are certainly tumultuous times for U.S. equity investors.

Yet, none of these macroeconomic factors have had any meaningful impact on people's desire to drink, smoke and gamble, or our nation's need to protect itself. As a result, the Vice Fund's areas of focus – alcoholic beverages, tobacco, gaming, and aerospace/defense – have been a beacon of strength in an otherwise unstable time.

For the six month period ending September 30, 2007, the Vice Fund returned 17.64% while the Standard & Poor's 500 Index gained only 8.44%, including dividend income.

In fact, **according to Lipper, based on total return as of September 30, 2007, the Vice Fund ranks in the top 1% of all multi-cap core funds for the past one year (of 876 funds), two years (768 funds) and three-years (662 funds). The Fund also ranks in the top 5% among 493 funds for the five-year period ended September 30, 2007**.

More recently, the Vice Fund received a five-star Overall Morningstar rating among 1646 Large Blend funds. This rating is derived from a weighted average of the fund's three-year Morningstar Ratings metrics, which are based on risk-adjusted return performance through September 30, 2007. Assets in the Fund have grown to $157 million, having more than doubled over the past year.

As we've said before, in periods characterized by relatively unexciting equity returns and a tepid economy, the industries that the Fund focuses on, because of their defensive nature, have historically beaten the broad market. That is the precise environment we seem to be in today. We hope that with time, the Vice Fund will prove to be one that performs strongly in all seasons.

Please remember that detailed fund information including holdings and performance, updated monthly, is always available at www.ViceFund.com.

Thank you for entrusting us with the management of your investment in the Vice Fund. It is truly a privilege to manage the Fund on your behalf.

Regards,

Charles L. Norton, CFA	Allen R. Gillespie, CFA
Portfolio Manager	Portfolio Manager

Past performance does not guarantee future results.

The S&P 500 Index includes 500 common stocks, most of which are listed on the New York Stock Exchange. The Index is a market capitalization-weighted index representing approximately two-thirds of the total market value of all domestic common stocks. One cannot invest directly in an index.

Opinions expressed are those of Mutual Advisors, Inc. and are subject to change, are not guaranteed and should not be considered a recommendation to buy or sell any security.

This report is intended for shareholder use only and must be preceded or accompanied by a prospectus. Read it carefully before investing or sending money.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

Mutual funds with a narrow investment focus are subject to greater price fluctuations than funds with broader investment choices. The Vice Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

Lipper Analytical Services, Inc. is an independent mutual fund research and rating service. Each Lipper average represents a universe of funds with similar investment objectives. Rankings for the periods shown are based on Fund total returns with dividends and distributions reinvested and do not reflect sales charges.

For each fund with at least a three –year history, Morningstar calculates a Morningstar Rating TM (based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. The Vice Fund was rated against the following numbers of U.S. domiciled Large Blend funds over the following time periods: 1,646 funds in the last three years and 1,284 funds in the last five years. With respect to these Large Blend funds, the Vice Fund received a Morningstar Rating of 5 stars and 5 stars for the three-and five-year periods respectively. Past performance is not guarantee of future results.

Quasar Distributors, LLC, Distributor (11/07)

EXPENSE EXAMPLE

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including redemption fees, and (2) ongoing costs, including advisory fees and other Fund expenses. Although the Fund charges no sales load, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Fund's transfer agent. If you request that a redemption be made by wire transfer, currently a $15.00 fee is charged by the Fund's transfer agent. You will be charged a redemption fee equal to 1.00% of the net amount of the redemption if you redeem your shares of the Fund within 60 days of purchase. IRA accounts will be charged a $15.00 annual maintenance fee. To the extent the Fund invests in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Fund invests in addition to the expenses of the Fund. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the Example.

This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of $1,000 invested at the beginning of the period and held for the entire period (4/1/07 – 9/30/07).

Actual Expenses

The first line of the following table provides information about actual account values and actual expenses. The Example includes, but is not limited to, advisory fees, 12b-1 fees, fund administration and accounting, custody and transfer agent fees. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

EXPENSE EXAMPLE (Continued)

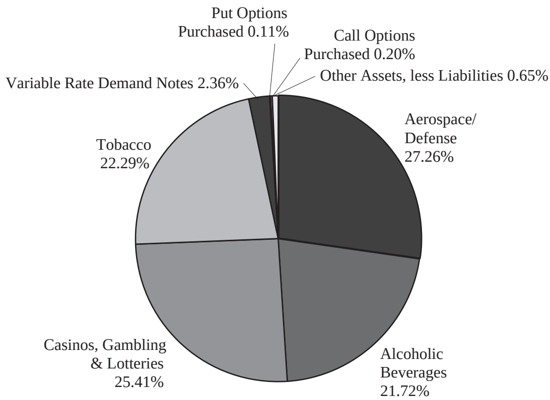
	Vice Fund		
	Beginning Account Value April 1, 2007	Ending Account Value September 30, 2007	Expenses Paid During Period April 1, 2007 - September 30, 2007*
Actual**	$1,000.00	$1,176.40	$9.90
Hypothetical (5% return before expenses)***	$1,000.00	$1,015.88	$9.20

* Expenses are equal to the Fund's annualized expense ratio of 1.82%, multiplied by the average account value over the period, multiplied by 183/366 to reflect the one-half year period.

** Excluding dividends on short positions, your actual cost of investment in the Fund would be $9.52.

*** Excluding dividends on short positions, your hypothetical cost of investment in the Fund would be $8.82.

Sector Breakdown % of Net Assets



Total Returns as of September 30, 2007

Average Total Return	Vice Fund	S&P 500 Index
Six Months	17.64%	8.44%
One year	33.71%	16.44%
Average annual three years	22.38%	13.15%
Average annual five years	21.09%	15.45%
Average annual since inception 8/30/02	19.52%	12.60%

Performance data quoted represents past performance and 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. In the absence of the existing fee waiver, the total return would be reduced. Performance data current to the most recent month end may be obtained by calling 1-866-264-8783 or visiting www.ViceFund.com.

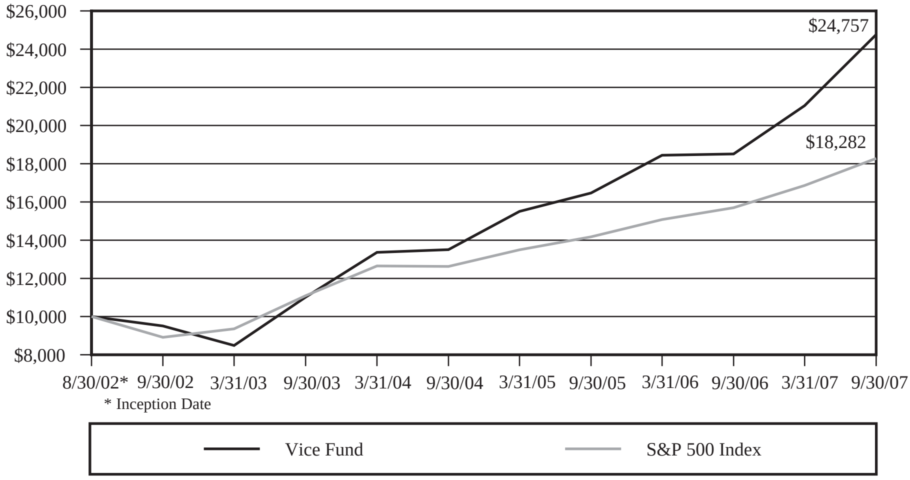
The returns shown on the graph and table assume reinvestment of dividends and capital gains and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

The S&P 500 Index includes 500 common stocks, most of which are listed on the New York Stock Exchange. The Index is a market capitalization-weighted index representing approximately two-thirds of the total market value of all domestic common stocks. One cannot invest directly in an index.

The Fund imposes a 1.00% redemption fee on shares held less than 60 days. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced.

This chart assumes an initial gross investment of $10,000 made on August 30, 2002 (the commencement of operations).

Hypothetical Comparison of Change in Value of $10,000 Investment



September 30, 2007 (Unaudited) | Ticker Symbol: VICEX

COMMON STOCKS 96.7%	Shares	Market Value
Aerospace/Defense 27.3%		
Alliant Techsystems Inc.*	13,000	$ 1,420,900
BAE Systems plc, ADR	90,000	3,619,584
The Boeing Co.	77,500	8,136,725
General Dynamics Corp.(2)	68,500	5,786,195
L-3 Communications Holdings, Inc.	16,500	1,685,310
Lockheed Martin Corp.(2)	57,000	6,183,930
Northrop Grumman Corp.	54,000	4,212,000
Raytheon Co.	85,500	5,456,610
Rockwell Collins, Inc.	26,000	1,899,040
Spirit AeroSystems Holdings Inc. - Class A*	36,500	1,421,310
United Technologies Corp.	38,000	3,058,240
		42,879,844
Alcoholic Beverages 21.7%		
The Boston Beer Company, Inc. - Class A*	15,000	729,900
Central European Distribution Corp.*	42,000	2,012,220
Companhia de Bebidas das Americas (AmBev), ADR	19,500	1,426,035
Constellation Brands, Inc. - Class A*	66,000	1,597,860
Diageo plc, ADR	95,500	8,378,215
Heineken NV, ADR	192,800	6,309,129
InBev NV, ADR	79,000	7,161,350
SABMiller plc, ADR	231,000	6,551,183
		34,165,892
Casinos, Gambling & Lotteries 25.4%		
Boyd Gaming Corp.	68,000	2,913,800
Harrah's Entertainment, Inc.	5,500	478,115
International Game Technology	160,000	6,896,000
Las Vegas Sands Corp.*	51,500	6,871,130
MGM MIRAGE*	83,000	7,423,520
Penn National Gaming, Inc.*	33,500	1,977,170
Pinnacle Entertainment, Inc.*	58,500	1,592,955
Station Casinos, Inc.	5,500	481,140
WMS Industries Inc.*	126,000	4,170,600
Wynn Resorts, Ltd.	45,500	7,168,980
		39,973,410

The accompanying notes are an integral part of these financial statements.

September 30, 2007 (Unaudited) Ticker Symbol: VICEX

COMMON STOCKS (Continued)	Shares	Market Value
Tobacco 22.3%		
Altria Group, Inc.	166,500	$ 11,576,745
British American Tobacco plc, ADR	110,000	7,917,800
Imperial Tobacco Group plc, ADR	56,500	5,184,440
Loews Corp. - Carolina Group(2)	117,000	9,620,910
Reynolds American Inc.(2)	12,000	763,080
		35,062,975
Total Common Stocks (Cost $117,647,395)		**152,082,121**

CALL OPTIONS PURCHASED 0.2%	Contracts	
Altria Group, Inc.:		
Expiration: January 2008, Exercise Price: $75.00	300	24,000
The Boeing Co.:		
Expiration: November 2007, Exercise Price: $105.00	100	39,000
Las Vegas Sands Corp.:		
Expiration December 2007, Exercise Price: $135.00	50	64,000
Northrop Grumman Corp.:		
Expiration: January 2008, Exercise Price: $80.00	200	59,500
Trump Entertainment Resorts, Inc.:		
Expiration: January 2008, Exercise Price: $7.50	750	58,125
Wynn Resorts, Ltd.:		
Expiration: December 2007, Exercise Price: $165.00	50	62,500
Total Call Options Purchased (Cost $444,258)		**307,125**

PUT OPTIONS PURCHASED 0.1%		
Las Vegas Sands Corp.:		
Expiration December 2007, Exercise Price: $135.00	75	93,750
Wynn Resorts, Ltd.:		
Expiration: December 2007, Exercise Price: $165.00	60	82,200
Total Put Options Purchased (Cost $184,290)		**175,950**

The accompanying notes are an integral part of these financial statements.

September 30, 2007 (Unaudited) Ticker Symbol: VICEX

SHORT-TERM INVESTMENTS 2.3%	Principal Amount	Market Value
Variable Rate Demand Notes[(1)]		
American Family Financial Services Inc., 4.2419%	$1,652,332	$ 1,652,332
Wisconsin Corporate Central Credit Union, 4.7987%	2,066,933	2,066,933
Total Short-Term Investments (Cost $3,719,265)		**3,719,265**
Total Investments 99.3% (Cost $121,995,208)		**156,284,461**
Assets, less other Liabilities 0.7%		1,027,165
Net Assets 100.0%		**$157,311,626**

(1) Variable rate demand notes are considered short-term obligations and are payable upon demand. Interest rates change periodically on specified dates. The rates listed are as of September 30, 2007.
(2) A portion of the investment is held by the broker as collateral for short sales activity.
* Non-income producing
ADR – American Depositary Receipt

The accompanying notes are an integral part of these financial statements.

September 30, 2007 (Unaudited)

Ticker Symbol: VICEX

COMMON STOCKS 2.4%	**Shares**	**Market Value**
Alcoholic Beverages 1.2%		
Anheuser-Busch Companies, Inc.	22,500	$1,124,775
Fortune Brands, Inc.	10,000	814,900
		1,939,675
Casinos, Gambling & Lotteries 0.4%		
Shuffle Master, Inc.*	35,500	530,725
Trump Entertainment Resorts, Inc.*	20,000	129,000
		659,725
Tobacco 0.8%		
UST Inc.	24,700	**1,225,120**
Total Short Sale (Proceeds $4,027,454)		**$3,824,520**

* Non-income producing

The accompanying notes are an integral part of these financial statements.

Statement of Assets and Liabilities
September 30, 2007 (Unaudited)

ASSETS	
Investments, at value (cost $121,995,208)	$156,284,461
Cash	765,308
Deposits at broker for securities sold short and options written	2,981,850
Income receivable	332,949
Receivable from broker for proceeds on securities sold short	804,405
Receivable for investments sold	229,616
Receivable for capital shares sold	1,967,792
Other assets	36,718
TOTAL ASSETS	163,403,099
LIABILITIES	
Securities sold short at value (proceeds $4,027,454)	3,824,520
Payable for investments purchased	1,950,160
Payable for capital shares redeemed	39,373
Payable to Advisor	132,674
Payable to affiliates	59,189
Payable for distribution fees	42,457
Accrued interest payable	384
Accrued expenses and other liabilities	42,716
TOTAL LIABILITIES	6,091,473
NET ASSETS	$157,311,626
Net assets consist of:	
Paid-in capital	$117,461,844
Accumulated net realized gain	5,357,595
Net unrealized appreciation on:	
Investments	34,289,253
Short positions	202,934
NET ASSETS	$157,311,626
Shares of beneficial interest outstanding (unlimited number of shares authorized, $0.001 par value)	6,572,047
Net asset value, redemption price and offering price per share(1)	$ 23.94

(1) A redemption fee of 1.00% is assessed against shares redeemed within 60 days of purchase.

The accompanying notes are an integral part of these financial statements.

Statement of Operations
For the Six Months Ended September 30, 2007 (Unaudited)

INVESTMENT INCOME	
Dividend income[1]	$ 1,056,614
Interest income	40,506
TOTAL INVESTMENT INCOME	1,097,120
EXPENSES	
Advisory fees	577,390
Distribution fees	151,945
Transfer agent fees and expenses	72,879
Administration fees	57,501
Fund accounting fees	26,892
Federal and state registration fees	16,365
Legal fees	13,551
Chief compliance officer fees and expenses	12,497
Audit fees	11,281
Reports to shareholders	9,884
Custody fees	8,478
Trustees' fees and related expenses	4,003
Other expenses	15,131
TOTAL EXPENSES BEFORE DIVIDENDS ON SHORT POSITIONS AND INTEREST EXPENSE	977,797
Interest expense	1,731
Dividends on short positions	38,633
TOTAL EXPENSES	1,018,161
Plus recoupment by Advisor	84,085
NET EXPENSES	1,102,246
NET INVESTMENT LOSS	(5,126)
REALIZED AND UNREALIZED GAIN ON INVESTMENTS	
Net realized gain on:	
Investments	2,882,660
Short positions	178,425
Change in net unrealized appreciation/depreciation on:	
Investments	17,681,657
Short positions	117,127
Written options	23,025
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	20,882,894
NET INCREASE IN NET ASSETS FROM OPERATIONS	$20,877,768

(1) Net of $39,061 in foreign withholding tax.

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets

	Six Months Ended September 30, 2007 (Unaudited)	Year Ended March 31, 2007
FROM OPERATIONS		
Net investment income (loss)	$ (5,126)	$ 276,366
Net realized gain (loss) on:		
Investments	2,882,660	2,656,530
Short positions	178,425	(17,713)
Change in net unrealized appreciation/depreciation on:		
Investments	17,681,657	5,778,944
Short positions	117,127	85,807
Written options	23,025	(23,025)
Net increase in net assets from operations	20,877,768	8,756,909
FROM DISTRIBUTIONS		
Net investment income	(113,406)	(162,960)
Net realized gain on investments	—	(789,340)
Net decrease in net assets resulting from distributions paid	(113,406)	(952,300)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	49,874,407	54,469,879
Net asset value of shares issued in reinvestment of distributions to shareholders	107,352	894,561
Payments for shares redeemed(1)	(16,459,904)	(14,674,142)
Net increase in net assets from capital share transactions	33,521,855	44,690,298
TOTAL INCREASE IN NET ASSETS	54,286,217	52,494,907
NET ASSETS		
Beginning of year	103,025,409	50,530,502
End of year	$157,311,626	$103,025,409
UNDISTRIBUTED NET INVESTMENT INCOME	$ —	$ 113,406

(1) Net of redemption fees of $36,785 for the six months ended September 30, 2007, and $16,158 for the year ended March 31, 2007.

The accompanying notes are an integral part of these financial statements.

Financial Highlights

Per Share Data for a Share Outstanding Throughout each Period

	Six Months Ended September 30, 2007 (Unaudited)	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004	Period Ended March 31, 2003(1)
Net Asset Value, Beginning of Period	$20.37	$18.08	$15.42	$13.34	$ 8.49	$10.00
Income (loss) from investment operations:						
Net investment income (loss)	0.02	0.06(5)	—	—	(0.01)	0.01
Net realized and unrealized gain (loss) on investments	3.57	2.48	2.87	2.12	4.86	(1.54)
Total from investment operations	3.59	2.54	2.87	2.12	4.85	(1.53)
Less distributions:						
Dividends from net investment income	(0.02)	(0.04)	—	—	(0.01)	—
From net realized gain on investments	—	(0.21)	(0.24)	(0.06)	—	—
Total distributions	(0.02)	(0.25)	(0.24)	(0.06)	(0.01)	—
Paid-in capital from redemption fees (Note 2)	—(6)	—(6)	0.03	0.02	0.01	0.02
Net Asset Value, End of Period	$23.94	$20.37	$18.08	$15.42	$13.34	$ 8.49
Total Return	17.64%(2)	14.10%	18.98%	16.05%	57.34%	(15.10)%(2)
Supplemental Data and Ratios:						
Net assets at end of period (000's)	$157,312	$103,025	$50,531	$31,483	$10,375	$3,864
Ratio of expenses to average net assets:						
Before waiver and expense reimbursement	1.68%(3)(4)	1.93%(3)	2.20%	2.67%	3.75%	6.48%(4)
After waiver and expense reimbursement	1.82%(3)(4)	1.78%(3)	1.75%	1.75%	1.75%	1.75%(4)
Ratio of net investment income (loss) to average net assets:						
Before waiver and expense reimbursement	0.13%(4)(7)	0.27%(7)	(0.46)%	(0.93)%	(2.07)%	(4.34)%(4)
After waiver and expense reimbursement	(0.01)%(4)(7)	0.42%(7)	(0.01)%	(0.01)%	(0.07)%	0.39%(4)
Portfolio turnover rate	22.75%	44.44%	67.29%	15.01%	6.58%	4.28%

(1) Fund commenced operations on August 30, 2002.
(2) Not annualized.
(3) The ratio of expenses to average net assets includes dividends on short positions. The before waiver and expense reimbursement and after waiver and expense reimbursement ratios excluding dividends on short positions were 1.61% and 1.75% for the six months ended September 30, 2007, and 1.90% and 1.75% for the year ended March 31, 2007.
(4) Annualized.
(5) Per share net investment income was calculated prior to tax adjustments.
(6) Less than one cent per share.
(7) The net investment income ratios include dividends on short positions.

The accompanying notes are an integral part of these financial statements.

(1) Organization

The Fund is a separate series of USA MUTUALS (the "Trust") which is registered under the Investment Company Act of 1940, as amended ("1940 Act"), as a non-diversified open-end management company. The Trust was organized on March 20, 2001 as a Delaware business trust and may issue an unlimited number of shares of beneficial interest at $0.001 par value. The Fund became effective on August 15, 2002 and commenced operations on August 30, 2002. The Fund is managed by Mutuals Advisors, Inc. (the "Advisor"), formerly known as MUTUALS.com, Inc., which has retained GNI Capital, Inc. ("GNI") to act as the Fund's subadvisor.

The Fund's investment objective is long-term growth of capital.

(2) Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of the financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP").

(a) *Investment Valuation*

Securities are stated at value. Securities traded on a national securities exchange are valued at the latest reported sale price on such exchange. Exchange-traded securities for which there were no transactions are valued at the latest bid prices. All equity securities that are traded using the National Association of Securities Dealers' Automated Quotation System ("NASDAQ") are valued using the NASDAQ Official Closing Price ("NOCP"). Debt securities (other than short-term obligations) are valued at prices furnished by a pricing service, subject to review by the Fund's Advisor. Short-term obligations (maturing within 60 days) are valued on an amortized cost basis, which approximates market value. Securities for which quotations are not readily available and other assets are valued at fair value as determined by the Advisor under the supervision of the Fund's Board of Trustees. When determining fair value, the following factors are taken into consideration: (i) fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces which influence the market in which these securities are purchased and sold.

(b) *Federal Income Taxes*

The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code necessary to qualify as a regulated investment company and will make the requisite distributions of income and capital gains to its shareholders sufficient to relieve it from all or substantially all Federal income taxes. Therefore, no Federal income tax provision has been provided.

(c) *New Accounting Pronouncements*

The Fund adopted the Financial Accounting Standards Board ("FASB") Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48"), on September 29, 2007. FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required as of the date of the last Net Asset Value ("NAV") calculation in the first required financial statement reporting period for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. As of September 30, 2007, FIN 48 did not result in an impact to the Fund's financial statements.

In September 2006, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements". SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Management is currently evaluating the implications of SFAS No. 157, and its impact on the financial statements has not yet been determined.

(d) *Distributions to Shareholders*

The Fund will distribute any net investment income semi-annually and any net realized long or short-term capital gains at least annually. Distributions from net realized gains for book purposes may include short-term capital gains. All short-term capital gains are included in ordinary income for tax purposes. Distributions to shareholders are recorded on the ex-dividend date. The Fund may also pay a special distribution at the end of the calendar year to comply with federal tax requirements.

The tax character of distributions paid during the six months ended September 30, 2007 and the year ended March 31, 2007 were as follows:

	Six Months Ended September 30, 2007	Year Ended March 31, 2007
Ordinary income	$113,406	$241,851
Long-term capital gains	$ —	$710,449

The Fund designated as a long-term capital dividend, pursuant to the Internal Revenue Code Section 852(b)(3), the amount necessary to reduce the earnings and profits of the Fund related to net capital gain to zero for the tax year ended March 31, 2007.

As of March 31, 2007, the components of accumulated earnings on a tax basis were as follows:

Cost basis of investments for federal income tax purposes	$85,082,417
Gross tax unrealized appreciation	$18,170,284
Gross tax unrealized depreciation	(1,525,887)
Net tax unrealized appreciation	16,644,397
Undistributed ordinary income	113,406
Undistributed long-term capital gain	2,264,835
Total distributable earnings	2,378,241
Other accumulated gains	62,782
Total accumulated earnings	$19,085,420

The difference between book-basis and tax-basis unrealized appreciation is attributable primarily to the deferral of losses on wash sales and mark-to-market adjustments on Section 1256 contracts.

(e) *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(f) *Share Valuation*

The net asset value ("NAV") per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash or other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding for the Fund, rounded to the nearest cent. The Fund's shares will not be priced on the days on which the NYSE is closed for trading. The offering and redemption price per share for the Fund is equal to the Fund's net asset value per share. The Fund charges a 1.00% redemption fee on shares held less than 60 days. These fees are deducted from the redemption proceeds otherwise payable to the shareholder. The Fund will retain the fee charged as paid-in capital and such fees become part of the Fund's daily NAV calculation.

(g) *Short Positions*

The Fund may sell a security it does not own in anticipation of a decline in the fair value of that security. When the Fund sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale. A gain, limited to the price at which the Fund sold the security short, or a loss, unlimited in size, will be recognized upon the termination of a short sale.

For financial statement purposes, an amount equal to the settlement amount is included in the Statement of Assets and Liabilities as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current value of the short positions. Subsequent fluctuations in the market prices of securities sold, but not yet purchased, may require purchasing the securities at prices which could differ from the amount reflected in the Statement of Assets and Liabilities. The Fund is liable for any dividends or interest payable on securities while those securities are in a short position. As collateral for its short positions, the Fund is required under the 1940 Act to maintain segregated assets consisting of cash, cash equivalents or liquid securities. These segregated assets are valued consistent with Note 2a above. The amount of segregated assets are required to be adjusted daily to reflect changes in the market value of the securities sold short. The Fund's receivable for proceeds on securities sold short is with one major security dealer. The Fund does not require this broker to maintain collateral in support of the receivable for proceeds on securities sold short.

(h) *Options*

The Fund may purchase and write call or put options on securities and indices and enter into related closing transactions. As a holder of a call option, the Fund has the right, but not the obligation, to purchase a security at the exercise price during the exercise period. As the writer of a call option, the Fund has the obligation to sell the security at the exercise price during the exercise period. As a holder of a put option, the Fund has the right, but not the obligation, to sell a security at the exercise price during the exercise period. As the writer of a put option, the Fund has the obligation to buy the underlying security at the exercise price during the exercise period.

The premium that the Fund pays when purchasing a call option or receives when writing a call option will reflect, among other things, the market price of the security, the relationship of the exercise price to the market price of the security, the relationship of the exercise price to the volatility of the security, the length of the option period and supply and demand factors. The premium is the market value of an option.

A purchaser (holder) of a put option pays a non-refundable premium to the seller (writer) of a put option to obtain the right to sell a specified amount of a security at a fixed price (the exercise price) during a specified period (exercise period). Conversely, the seller (writer) of a put option, upon payment by the holder of the premium, has the obligation to buy the security from the holder of the put option at the exercise price during the exercise period.

An option that is written by the Fund is generally valued at the last sale price or, in the absence of the last sale price, the average of the quoted bid and asked prices. An option that is purchased by the Fund is generally valued at the last sale price or, in the absence of the last sale price, the average of the quoted bid and asked prices. If an options exchange closes after the time at which the Fund's net asset value is calculated, the last sale or last bid and asked prices as of that time will be used to calculate the net asset value.

The number of option contracts written and the premiums received by the Fund during the period ended September 30, 2007, were as follows:

	Number of Contracts	Premiums Received
Options outstanding, beginning of period	(150)	$(6,225)
Options written	—	—
Options exercised	—	—
Options expired	150	6,225
Options closed	—	—
Options outstanding, end of period	—	$ —

(i) *Other*

Investment transactions are accounted for on the trade date. The Fund determines the gain or loss from investment transactions on the identified cost basis by comparing the original cost of the security lot sold with the net sale proceeds. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis.

(j) *Reclassifications of Capital Accounts*

Due to inherent differences in the recognition of income, expenses and realized gains/losses under GAAP and federal income tax purposes, permanent differences between book and tax basis reporting have been identified and appropriately reclassified on the Statement of Assets and Liabilities. These reclassifications have no effect on net assets or net asset value per share. For the fiscal year ended March 31, 2007 there were no reclassifications.

(3) Transactions with Affiliates

The Trust has an Investment Advisory Agreement (the "Agreement") with the Advisor, with whom an officer of the Trust is affiliated, to furnish investment advisory services to the Fund. Under the terms of the Agreement, the Trust, on behalf of the Fund, compensates the Advisor for its management services at the annual rate of 0.95% of the Fund's average daily net assets.

The Advisor has agreed to waive, through July 31, 2017, its management fee and/or reimburse the Fund's other normal operating expenses (excludes dividends on short positions and interest expense) to the extent necessary to ensure that the Fund's operating expenses do not exceed 1.75% of the Fund's average daily net assets. Any such waiver or reimbursement is subject to later adjustment to allow the Advisor to recoup amounts waived or reimbursed to the extent actual fees and expenses for a fiscal period are less than the Fund's expense limitation cap, provided, however, that the Advisor shall only be entitled to recoup such amounts for a period of three years from the date such amount was waived or reimbursed. For the six months ended September 30, 2007, $84,085 was recouped by the Advisor.

The following table shows the remaining waived or reimbursed expenses subject to potential recovery expiring in:

2008	$ 78,062
2009	$196,862
2010	$ 95,868

A Trustee of the Trust is affiliated with U.S. Bancorp Fund Services, LLC and U.S. Bank, N.A., which provide accounting, administration, transfer agency and custodian services to the Fund.

The Fund paid the Chief Compliance Officer $12,497 for the six months ended September 30, 2007.

The Trust has adopted a plan pursuant to Rule 12b-1 under the 1940 Act (the "12b-1 Plan"), on behalf of the Fund, which authorizes it to pay Quasar Distributors, LLC (the "Distributor") a distribution fee of 0.25% of the Fund's average daily net assets for services to prospective Fund shareholders and distribution of Fund shares. During the six months ended September 30, 2007, the Fund accrued expenses of $151,945 pursuant to the 12b-1 Plan.

(4) Capital Share Transactions

Transactions in shares of the Fund were as follows:

	Six Months Ended September 30, 2007	Year Ended March 31, 2007
Shares sold	2,277,560	3,003,112
Shares issued to holders in reinvestment of distributions	4,995	44,919
Shares redeemed	(769,253)	(783,404)
Net increase	1,513,302	2,264,627

(5) Investment Transactions

The aggregate purchases and sales of securities, excluding short-term investments, for the Fund for the six months ended September 30, 2007, were $58,585,752 and $27,511,139, respectively. There were no purchases or sales of U.S. government securities.

(6) Credit Facility

U.S. Bank, N.A. (the "Bank") has made available to the Fund a credit facility pursuant to a Loan and Security Agreement for the Fund dated October 1, 2004 for the purpose of purchasing portfolio securities. For the periods April 1, 2007 through September 18, 2007 and September 19, 2007 through September 30, 2007, the interest rate on the outstanding principal amount was the Bank's Prime Rate of 8.25% and 7.75%, respectively. During the six months ended September 30, 2007, the Fund had an outstanding average daily balance of $41,273 and the maximum amount outstanding during the period was $1,000,000. Interest expense amounted to $1,731 for the Fund for the six months ended September 30, 2007. At September 30, 2007 there was no loan payable balance for the Fund.

REGARDING RENEWAL OF ADVISORY AGREEMENT

ANNUAL RENEWAL OF INVESTMENT ADVISORY AGREEMENT

At a meeting of the Board of Trustees of the Company on May 23, 2007 (the "Board Meeting"), the Trustees, by a unanimous vote (including a separate vote of the Trustees who are not "interested persons" (as that term is defined in the Investment Company Act of 1940, as amended) (the "Independent Trustees"), approved the renewal of the Company's Investment Advisory Agreement (the "Agreement") with Mutuals Advisors, Inc., the Fund's investment advisor (the "Advisor") through July 31, 2008. In advance of the Board Meeting, the Independent Trustees requested and received materials to assist them in considering the renewal of the Agreement, including a written response by the Advisor to specific questions asked by the Trustees. The materials provided contained information with respect to the factors noted below, including the Agreement, a memorandum prepared by the Company's outside legal counsel discussing in detail the Trustees' fiduciary obligations and the factors they should assess in considering the renewal of the Agreement, detailed comparative information relating to the performance, advisory fees and other expenses of the Fund, due diligence materials relating to the Advisor (including a questionnaire completed on behalf of the Fund by the Advisor, Form ADV, financial statements, bibliographic information regarding key personnel, written compliance program and Code of Ethics) and other pertinent information. The Trustees also received information periodically throughout the year that was relevant to the renewal process relating to the Agreement, including performance, management fees and other expense information. The materials also included comparisons of the Fund with other funds of similar size and/or investment objectives in terms of performance, fees and other expenses, as well as the performance of the Fund versus its benchmark.

DISCUSSION OF FACTORS CONSIDERED IN CONNECTION WITH THE AGREEMENT

In connection with the approval of the renewal of the Agreement, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors enumerated below.

1. NATURE, EXTENT AND QUALITY OF SERVICES.

   The Trustees considered the nature, extent and quality of services provided by the Advisor, including portfolio management, supervision of Fund operations, compliance and regulatory matters and general oversight of other service providers. The Trustees discussed the Advisor's responsibilities in light of its retention of GNI Capital, Inc. ("GNI") as a subadvisor to make day-to-day decisions with respect to the management of the Fund's portfolio. The Trustees reviewed the structure of the Advisor's compliance procedures and noted that David Scott of D. E. Scott & Associates, LLC had been retained as the chief compliance officer for the Company and the Advisor. The Trustees discussed the Advisor's handling of compliance matters, including information provided by Mr. Scott. The Trustees concluded that, while the Advisor did not have a large staff, the quality of the services provided to the Fund has been consistently of a high level and that it was qualified to manage the Fund's portfolio, to oversee GNI as a subadvisor and to monitor the Fund's compliance with applicable requirements under the securities laws.

2. INVESTMENT PERFORMANCE OF THE FUND AND THE ADVISOR.

   The Trustees reviewed a report prepared by Lipper, Inc. ("Lipper") that contained information regarding the Fund's performance. The Trustees considered short-term and long-term investment performance for the Fund over various periods of time as compared to both relevant equity indices and the performance of the Fund's Lipper peer group universe, and concluded that the Advisor had delivered strong performance results consistent with the long-term investment strategies being pursued by the Fund. The Fund ranked very high in its peer group based on its average annual return over three-year, one-year, six-month and three-month periods. In particular, the Trustees noted that the Fund ranked in the first quartile of its performance peer group for the three-year, one-year, six-month and three-month periods ended March 31, 2007 (ranking first in its peer group for the one-year period and ranking no lower than third in any other period). The Trustees also noted that the Advisor did not have any clients other than the Company, so performance results could not be compared to the Advisor's other clients. After considering all of the information, the Trustees concluded that the performance obtained by the Advisor for the Fund was satisfactory under current market conditions. Although past performance is not a guarantee or indication of future results, the Trustees determined that the Fund and its shareholders were likely to benefit from the Advisor's continued management.

3. COSTS OF SERVICES AND PROFITS REALIZED BY THE ADVISOR.

   The Trustees considered the Fund's management fee and total expense ratio relative to industry averages for the Fund's benchmark category. The Trustees noted that the Advisor has historically capped the total expense ratio of the Fund at 1.75% and observed that the Advisor proposed to continue to cap the Fund's expenses at 1.75%. Based on the information provided by Lipper, the Fund was the in the third quartile in its expense peer group based on total expenses. The Fund's contractual advisory fee was within 0.1% of its peer group median. The Trustees reviewed the Advisor's balance sheet, income statement and profit and loss statement, noting that due to the expense cap that is in place, the Advisor continues to waive a portion of its advisory fee. The Trustees also took notice of the fact that the Advisor realized a profit for the first time during its last fiscal year and received and reviewed financial statements for the parent company of the Advisor. The Trustees acknowledged the Advisor had subsidized the Fund's operations following its inception and had not yet recouped those subsidies. The Trustees also examined the level of profits that could be expected to accrue to the Advisor in light of the prospects for the Fund's future growth. The Trustees concluded that, based on the financial statements, the Advisor was sufficiently capitalized to continue to provide adequate services to the Fund. The Trustees also concluded that the Fund's expenses and the fees paid to the Advisor were fair and reasonable in light of the comparative performance and expense and advisory fee information, and that the Advisor's profit from sponsoring the Fund had not been, and currently was not, excessive.

4. EXTENT OF ECONOMIES OF SCALE AS FUND GROWS.

   The Trustees considered whether there have been economies of scale with respect to the management of the Fund and whether the Fund has appropriately benefited from any economies of scale. The Trustees noted that as asset levels grow, certain service provider fees are reduced. The Trustees again noted that the Advisor's cap on the Fund's total expenses, which has been in place since the Fund's inception, has been and continues to be a clear benefit to Fund investors, and will remain in place for at least another year.

The Trustees also considered whether the management fee rate is reasonable in relation to the asset size of the Fund and any economies of scale that may exist. The Trustees noted that breakpoints are not a viable option at this time given the size of the Fund and the Advisor's continuing fee waivers, although the Trustees recognized that breakpoints might be re-evaluated in the event of further growth in the assets of the Fund. The Trustees acknowledged the statement of the Advisor that the Fund's expense cap may no longer be necessary as the Fund grows and that the Fund's fee structure would be re-evaluated, with breakpoints and other measures inserted and fee rates possibly lowered, for the benefit of the Fund's shareholders. With respect to the Advisor's fee structure and applicable expense caps, in light of the Advisor's recognition of the possibility of lowering fee rates if the Fund continues to grow, the Trustees concluded that the extent of potential economies of scale were adequately addressed.

5. BENEFITS DERIVED FROM THE RELATIONSHIP WITH THE FUND.

The Trustees also considered the character and amount of other incidental or "fall-out" benefits received by the Advisor from its association with the Fund. The Trustees concluded that potential "fall-out" benefits that the Advisor may receive, such as greater name recognition, appear to be modest, and in many cases benefit the Fund.

CONCLUSIONS

All of these factors were considered by the Trustees. In considering the Agreement, the Trustees did not identify any one factor as all-important, but rather considered these factors collectively in light of the Fund's surrounding circumstances. Based on this review, it was the judgment of the Trustees and the Independent Trustees that shareholders had received favorable absolute and relative performance at reasonable fees and, therefore, approval of the renewal of the Agreement was in the best interest of the Fund and its shareholders.

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A NOTE ON FORWARD LOOKING STATEMENTS

Except for historical information contained in this report for the Fund, the matters discussed in this report may constitute forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These include any advisor, sub-advisor or portfolio manager predictions, assessments, analyses or outlooks for individual securities, industries, market sectors and/or markets. These statements involve risks and uncertainties. In addition to the general risks described for the Fund in the current Prospectus, other factors bearing on this report include the accuracy of the advisor's, sub-advisor's or portfolio manager's forecasts and predictions, and the appropriateness of the investment programs designed by the advisor, sub-advisor or portfolio manager to implement their strategies efficiently and effectively. Any one or more of these factors, as well as other risks affecting the securities markets and investment instruments generally, could cause the actual results of the Fund to differ materially as compared to benchmarks associated with the Fund.

PROXY VOTING POLICIES AND PROCEDURES

The Fund has adopted proxy voting policies and procedures that delegate to Mutuals Advisors, Inc., the Fund's investment advisor (the "Advisor"), the authority to vote proxies. A description of the Vice Fund's proxy voting policies and procedures is available without charge, upon request, by calling the Fund toll free at 1-866-264-8783. A description of these policies and procedures is also included in the Fund's Statement of Additional Information, which is available on the SEC's website at http://www.sec.gov.

The actual voting records relating to portfolio securities during the most recent twelve month period ended June 30 are available without charge, upon request, by calling 1-866-264-8783 or by accessing the SEC's website at http://www.sec.gov.

PORTFOLIO DISCLOSURE INFORMATION

The Fund files its complete schedule of portfolio holdings with the SEC four times each fiscal year at quarter-ends. The Fund files the Schedule of Portfolio Holdings with the SEC on Form N-CSR (second and fourth quarters) and on Form N-Q (first and third quarters). Shareholders may view the Fund's Forms N-CSR and N-Q on the SEC's website at http://www.sec.gov. Forms N-CSR and N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-202-942-8090 (direct) or 1-800-SEC-0330 (general SEC number).

VICE FUND

Investment Advisor	***Mutuals Advisors, Inc.*** Plaza of the Americas 700 North Pearl Street, Suite 900 Dallas, Texas 75201
Subadvisor	***GNI Capital, Inc.*** 125 The Parkway, Suite 201 Greenville, South Carolina 29615
Legal Counsel	***Godfrey & Kahn, S.C.*** 780 North Water Street Milwaukee, Wisconsin 53202
Independent Registered Public Accounting Firm	***Tait, Weller & Baker LLP*** 1818 Market Street, Suite 2400 Philadelphia, Pennsylvania 19103
Transfer Agent, Fund Accountant and Fund Administrator	***U.S. Bancorp Fund Services, LLC*** 615 East Michigan Street Milwaukee, Wisconsin 53202
Custodian	***U.S. Bank, N.A.*** Custody Operations 1555 North RiverCenter Drive, Suite 302 Milwaukee, Wisconsin 53212
Distributor	***Quasar Distributors, LLC*** 615 East Michigan Street Milwaukee, Wisconsin 53202

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