

Performance Update

June 30, 2023

The Boyar Value Fund

A Multi-Cap Value Fund Seeking Long-Term Capital Appreciation

BOYAX

Overall



The Boyar Value Fund is a Lipper leader in tax efficiency for the 3-year period (out of 617 funds), the 5-year period (out of 586 funds), the 10-year period (out of 409 funds) and the overall period (out of 617 funds).

The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Tax Efficiency metrics over three-, five-, and ten-year periods (if applicable). The highest 20% of funds in each peer group are named Lipper Leaders, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2, and the lowest 20% are scored 1.

Lipper Leader ratings are not intended to predict future results and Lipper does not guarantee the accuracy of this information.

Lipper ratings for Tax Efficiency reflect a fund's historical success in postponing taxable distributions relative to peers, as of 6/30/2023. Tax Efficiency offers no benefit to investors in tax-sheltered accounts such as 401(k) plans.

Every investment carries some market risk. Fund will fluctuate over time. An investment in the Fund should be part of an overall investment strategy. Before investing, please consider the following special risks in determining the appropriateness of an investment in the Fund. We cannot give you any assurance that the Adviser's investment strategy will succeed.

The Boyar Value Fund received the following ratings for Tax Efficiency in the 3-year, 5-year, 10-year, and Overall period 5/5/98-6/30/23 (number of funds rated): 5 (617), 5 (586), 5 (409), and 5 (617).

More information is available at www.lipperleaders.com. Lipper Leader ratings © 2023 Reuters, All Rights Reserved.

Portfolio Manager:

Mark Boyar, President, Boyar Asset Management
Jonathan Boyar, Principal, Boyar Asset Management

Investment Objective:

Long-term capital appreciation by primarily investing in multi-cap stocks that Mr. Boyar perceives to be undervalued relative to their intrinsic value

Inception Date:

5/5/98

Minimum Investment:

\$5,000 (\$3,000 for IRAs)

Nasdaq Symbol:

BOYAX

HISTORICAL COMPETITIVE RETURNS

Share price and investment return will fluctuate such that an investor's shares may be worth more or less than their original cost upon redemption. Performance data quoted represents past performance. The S&P Composite 1500 Value index was launched after the fund was started and therefore a since inception date is not available.

Average Annual Returns

(periods ended 6/30/23)

	1 Year	5 Year	10 Year	Since Inception*
At NAV	11.71%	3.41%	6.26%	6.04%
Inclusive of sales charges	6.12%	2.36%	5.72%	5.82%
After taxes on distribution	5.99%	1.79%	5.20%	5.27%
After taxes on distribution and the sale of shares	3.70%	1.76%	4.51%	4.71%
S&P Composite 1500 Value Index TR	19.45%	10.24%	10.45%	N/A

*(5/5/98)

The performance data quoted represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. For performance information current to the most recent month-end, please call toll-free 1-800-266-5566.

The Boyar Value Fund has a maximum sales charge of 5.00%. The total annual fund operating expense is 1.65%. After-tax returns are calculated using the highest historical individual federal income tax rate and do not reflect the additional impact of state and local taxes. Actual after-tax returns depend on a shareholder's tax situation and may differ from those shown. After-tax returns are not relevant for shareholders who hold fund shares in tax-deferred accounts or to shares held by non-taxable entities. It is important to note that the Fund is currently waiving a portion of fees and at such time as the fee waiver is no longer in place, future returns may be lower than past returns. The value of the portfolio will fluctuate as the underlying securities move in response to overall market movements and other factors beyond the control of the advisor, and investments in the fund may result in the loss of principal. The fund may invest in stocks of several different capitalization levels and it is important to note that historically, small- and mid-cap stocks have experienced greater volatility than stocks of larger, more established companies. The S&P 1500 Value Index is an unmanaged index of stocks trading in the United States. Index performance illustrated is hypothetical and is not indicative of any mutual fund investment. Investors cannot invest in an index.

Mark Boyar

Mark began his career as a securities analyst in 1968. In 1975, he founded Asset Analysis Focus, a subscription-based, institutional research service focused on value investing. He quickly began managing money for high net worth clients and later formed Boyar Asset Management, a registered investment advisor, in 1983. He began managing the Boyar Value Fund in 1998. His opinions are often sought by such media outlets as *Barron's*, *Business Week*, CNBC, *Forbes*, *Financial World*, the *New York Times*, and the *Wall Street Journal*.

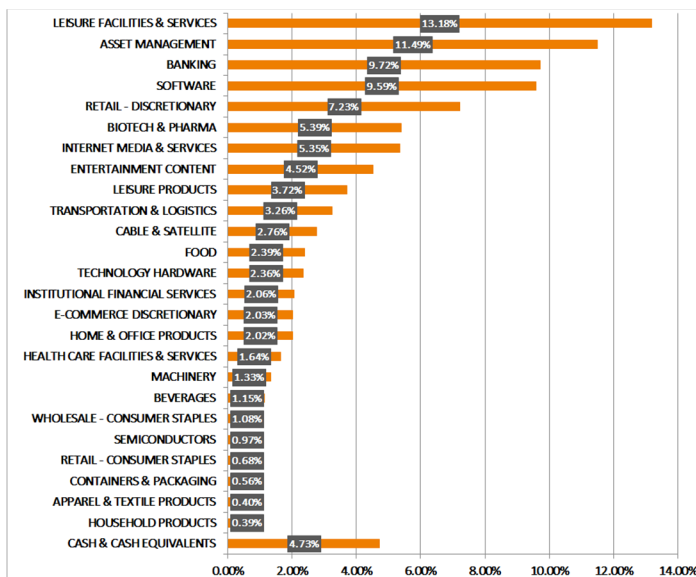
Top Ten Equity Holdings (As of 6/30/23)

Holdings

1. Ameriprise Financial, Inc.	10.28%
2. Microsoft Corporation	9.59%
3. Home Depot, Inc. (The)	7.23%
4. JPMorgan Chase & Company	5.70%
5. Madison Square Garden Sports Corporation	3.38%
6. Bank of America Corporation	3.28%
7. United Parcel Service, Inc.	3.26%
8. McDonald's Corporation	3.26%
9. Uber Technologies, Inc.	3.18%
10. Walt Disney Company (The)	3.09%
Total	52.25%

The above illustrates the Fund's ten largest equity holdings, as a percentage of total assets, as of 6/30/23 and are subject to change.

Industry Weightings (As of 6/30/23)



The above illustrates the Fund's industry weightings, as a percentage of total assets, as of 6/30/23 and is subject to change.

A Look Back

There is an old Wall Street adage that markets like to climb a wall of worry, and the price action thus far in 2023 seems to exemplify that. Despite concerns among investors over the fallout from the re-regional banking crisis, uncertainty about the future direction of interest rates, continued fears of recession, and a debt ceiling standoff, the S&P 500 advanced by 8.7% for the second quarter of 2023, bringing its total gain for 2023 to 16.9% as of June 30, 2023. Simply put, investors' obsession with AI's potential (and willingness to bid up shares of index heavyweights poised to benefit from it, such as Nvidia and Microsoft) seems to outweigh any (and indeed all) of these fears.

The S&P 500 ended the quarter selling for 19.1x (fwd.) earnings, an elevated valuation by historical standards. (The 25-year average is 16.8x.) However, the index is still selling for ~8% less than it did on January 3, 2022, when it traded at 4,797, or 21.4x earnings. While 19.1x is a high multiple, back in March 2000 the S&P 500 traded for 25.2x (though it then lost 49% of its value over the following 2 calendar years). It is worth noting that the S&P 500 equal weighted index currently sells for a more modest 14.8x (fwd.).

Three sectors advanced by double digits during the second quarter: Technology (+17.2%), Consumer Discretionary (+14.6%), and Communication Services (+13.1%). Only two sectors were in the red: Energy (-0.9%) and Utilities (-2.5%). For the first half of the year, Technology shares led the way, advancing a whopping +42.8%, followed by Communication Services (+36.2%) and Consumer Discretionary (+33.1%). Four sectors were in the red for that same period, including Energy which declined by 5.5% for the first half of 2023. This is a stark contrast to 2022, when Energy was the market leader advancing over 65% in a year when the S&P declined by 18%. In fact, energy shares have been far and away the biggest winner since the March 2020 stock market bottom, advancing by 300% compared to the S&P 500's 109% gain over the same period.

Mega-cap technology names were the stars of the first half of 2023. According to Rita Nazareth, writing for *Bloomberg*, the tech-heavy Nasdaq 100 posted its best first half ever (advancing almost 40%), with nearly \$5 trillion in market capitalization added to the values of its listed companies. During the first half of 2023, Microsoft, which has a market capitalization of ~\$2.4 trillion, gained ~42%; Apple, with a market cap of ~\$2.9 trillion, advanced ~49%; Tesla, which is worth \$855 billion, gained ~113%; Meta Platforms, with a market value of \$764 billion, gained ~138%; and Nvidia, which is worth over \$1 trillion, advanced an unsustainable 189%.

Performance

The Boyar Value Fund gained 3.61% for the 2nd quarter versus a 6.39% advance for the S&P 1500 Value Index. For the 1st half of the year the Boyar Value Fund has advanced 7.62% versus 11.67% for the S&P 1500 Value Index.

Investors should consider the investment objectives and policies, risk considerations, charges and expenses of this fund carefully before investing. The prospectus contains this and other information relevant to an investment in the fund. Please read the accompanying prospectus carefully before you invest or send money. If a free prospectus did not accompany this literature, please contact your securities representative or the Boyar Value Fund, 32 West 39th Street, 9th Floor, New York, NY 10018, 212-995-8300.

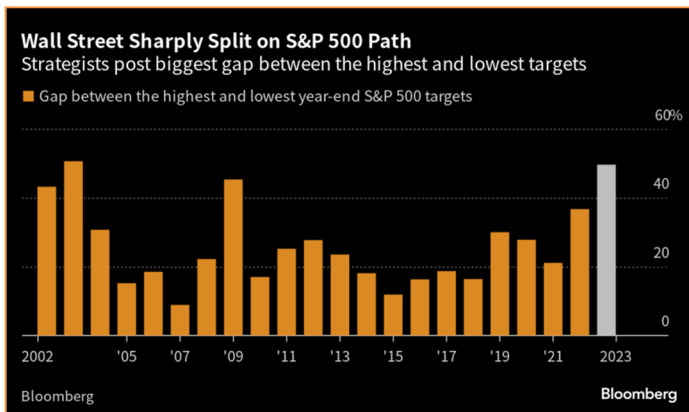
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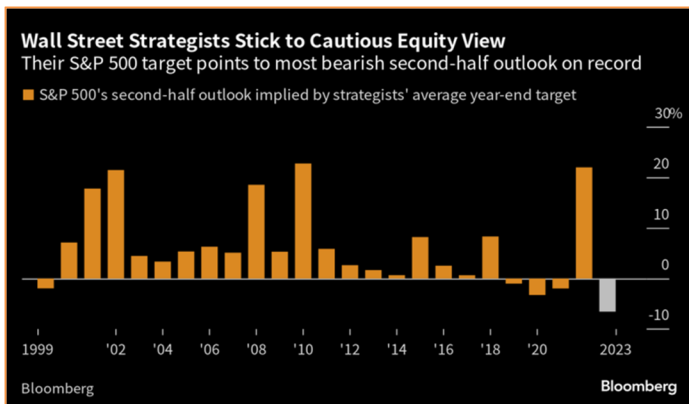
So Where Do We Go from Here?

If history is any guide, the NASDAQ 100's blowout start bodes well for the remainder of 2023. According to data compiled by *Bloomberg*, years where the Nasdaq 100 rallies at least 10% (for the first half of the year) have produced average returns of about 14% over the second half of the year (or 8.3% when the first half gain exceeded 20%). Positive first-half gains for the S&P 500 are also bullish for the remainder of the year. According to Sam Stovall of CFRA Research, since 1945, the S&P 500 has risen an additional 5% when the index recorded a positive return in the first part of the year. What's more, when the index gained 10% or more during the first half, the gains in the back half of the year averaged 8%.

Wall Street "strategists" (who started 2023 for the most part quite bearish on equities) have not been this divided at the midpoint of the year **on how stocks will perform for the remainder of the year in two decades**. There is a 50% difference between the most bullish forecast from Fundstrat (which forecasts a ~10% additional gain for 2023 with the S&P ending at 4,825), and Piper Sandler (which believes the S&P will decline 27% to 3,225) according to data from *Bloomberg*.



Overall, the average strategist is still bearish on equities (the average strategist's year end forecast predicts a decline of approximately 8% for the S&P 500 for the 2nd half of 2023).

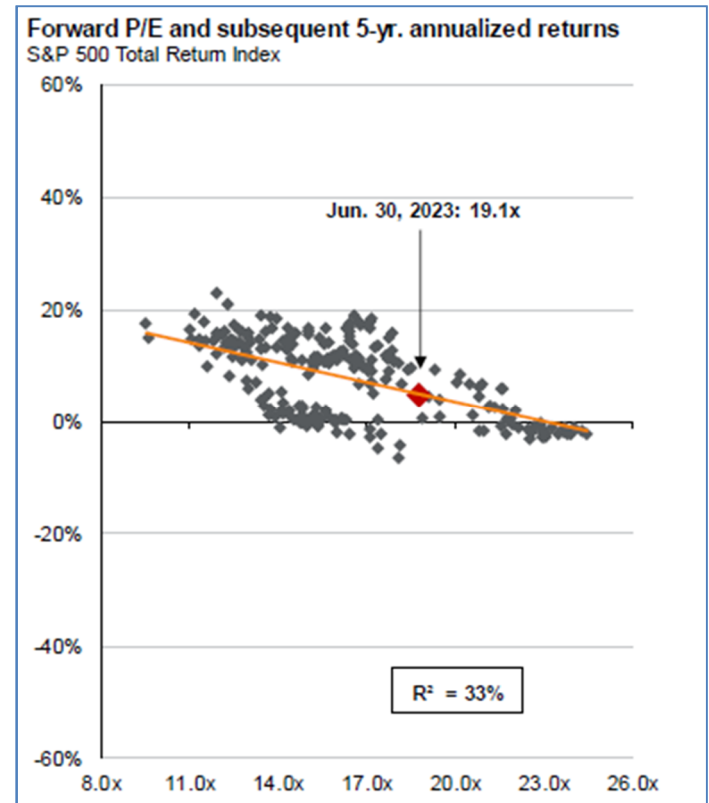


A New Bull Market

The S&P 500 has advanced by 24% since its low on October 12, 2022, officially putting us in a bull market. Historically, the start of a new bull market has been a positive signal for future short-term

returns. According to Bank of America Research, utilizing data dating back to the 1950s, the S&P 500 rose 92% of the time over the 12 months following the start of a bull market, with an average return of 19%.

As we have repeatedly noted in these letters, the best indicator of future stock market returns is the price paid. And as the following chart shows, stock market returns (as measured by the S&P 500) have historically been pedestrian with valuations similar to current levels. However, we believe that investors have significant opportunities to do quite well investing in stocks outside the S&P 500.



Growth Investors Beware!

After a stellar 2022 for value investors, 2023 has seen the high-flying growth names return as the market leaders. Growth stocks (represented by the Russell 1000 growth index) are selling ~ 6 multiple points higher than their long-term average (dating back to 1997), with value shares (represented by the Russell 1000 value index) selling slightly above their long-term average. May 2023 was a particularly bad month for value shares. According to Lu Wang and Carly Wanna, writing for *Bloomberg*, the Russell 1000 value index fell 4% in May, compared with a similarly sized gain for the Russell 1000 growth index—growth's largest outperformance since 2000. **For the first 5 months of the year, growth outperformed value by 23%, the biggest divergence in 44 years of data.** Investors are voting with their wallets and have pulled more than \$15 billion from ETFs with a focus on value, the fastest withdrawal since at least 2016.



Source: JP Morgan Guide to the Markets.

Small-Cap Opportunity?

Small-cap value is the cheapest area of the U.S. market (selling at 14.9x vs. its 20-year average of 16.8x), and it is where we see the biggest opportunities for future outsized gains. **The Russell 2000 (an index of smaller company shares) is down 24% from its 2021 highs and has lagged larger stocks by more than 7 percentage points annually over the past 5 years. According to Charley Grant of the Wall Street Journal, that underperformance is among the worst relative 5-year returns since 1926.** Investors are starting to warm up to the opportunity in small-cap shares, with about \$3.5 billion having flowed into small-cap stock ETFs since the start of the year.

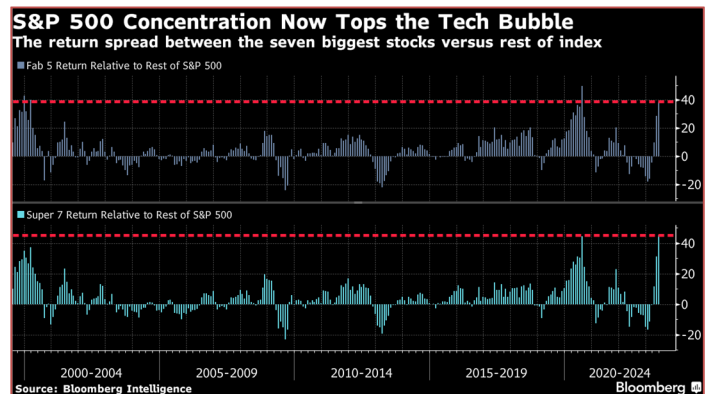
However, investors in small-cap companies need to be especially wary of potential minefields in this area of the market: 45.5% of the companies contained in the Russell 2000 are unprofitable, and their EBIT covers a much smaller percentage of their interest expense than is the case for their large-cap brethren (see the accompanying chart for further details). Partly this is because smaller-cap companies rely much more on floating rate bank debt than large cap companies do (since they don't have the same access to the bond markets). If banks continue to tighten credit, some unprofitable companies could be in for a lot of pain. As a result, it is especially important to be selective and conduct extensive research when investing in this area of the market.

Bad Breadth: Is It a Problem?

Much has been made of the market's lack of breadth (according to Bank of America Research only 25% of stocks outperformed the broader market index during the first half of 2023). Valuation is also a concern for us. As of June 30, 2023, the top 10 stocks in the S&P 500 were selling for 29.3x earnings (fwd.), compared with an average

valuation of 20.1x since 1996. The weightings of the S&P 500's top 10 stocks are also at a multidecade high. As of June 30, the S&P 500's top 10 stocks accounted for 31.7% of the index weight, a figure that in 1996 was only ~18% (and that even at the peak of the dotcom bubble was roughly 27%).

Also worryingly, the S&P 500's remaining stocks (outside the top 10) are not cheap, either, selling for 17.8x versus an average of 15.7x since 1996. Interestingly (demonstrating the market's lack of breadth), for the first half of the year, according to *Bloomberg* Intelligence the return spread between the seven largest stocks in the S&P 500 compared with the rest of the index hit the widest since the dot-com bubble. If you excluded the top seven largest stocks from the S&P 500, the index would have returned a mere 6.3% for the year (still not a bad return!), instead of 16%.



The Nasdaq 100 has become so concentrated that the index provider has announced a "special rebalance" of the weightings of its components. Under Nasdaq rules, if the index's stocks with a weighting of 4.5% or more exceed 48% of the index, those components are rebalanced until they represent only ~40%. Such a rebalancing has happened twice before, in December 1998 and May 2011. As Eric Savitz notes in *Barron's*, a rebalancing is no small matter: hundreds of billions of dollars are invested in funds that track the Nasdaq 100, and the upcoming rebalancing could create temporary downward pressure for index heavyweights such as Microsoft, Apple, and Nvidia.

A Painful Year for Short Sellers

2023 has not been kind to short sellers (investors who wager that individual stocks will lose value). According to Jack Pitcher, citing data from S3 Partners and writing for the *Wall Street Journal*, total short interest in the U.S. market was over \$1 trillion in June (the highest level since April 2022), after starting the year at \$863 billion. According to data from S3, short sellers have incurred approximately \$120 billion in mark-to-market losses this year, including \$72 billion in the first half of June alone. Short sellers wagering against Tesla are down about 78%, and those unfortunate enough to have bet against Nvidia are down ~105%. (When shorting stocks, the potential for loss is theoretically unlimited, since investors whose short positions go against them must post more collateral to remain in those positions.) Indeed, the *Wall Street Journal* points out that a Goldman Sachs index that tracks the 50 most shorted stocks in the Russell 3000 has advanced 20% in 2023 (as of mid-June).



As always, we're available to answer any questions you might have. We can be reached at info@boyarvaluegroup.com or (212) 995-8300.

Best regards,

Mark A. Boyar

A handwritten signature in black ink that reads "Mark A. Boyar".

Jonathan I. Boyar

A handwritten signature in black ink that reads "Jonathan I. Boyar".

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IMPORTANT RISK INFORMATION

Past performance is no guarantee of future results. Investing in equities and fixed income involves risk, including the possible loss of principal. Investments in equity securities are subject to inherent market risks, such as a rapid increase or decrease in value or liquidity, fluctuations due to a company's earnings, economic conditions, a decline in the market generally, and other factors beyond the control of the Adviser. Accordingly, the value of an investment in the Fund will fluctuate over time. An investment in the Fund should be part of an overall investment strategy. Before investing, please consider the following special risks in determining the appropriateness of an investment in the Fund. We cannot give you any assurance that the Adviser's investment strategy will succeed.

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