



June 02, 2018

Dear Friends and Investors,

The following market overview for the month of May 2018 has been produced by the Fund's Senior Portfolio Manager, Steven Goldman. We trust that you'll find it to be a worthwhile read.

In the ongoing effort to produce industry-leading investment products and thought leadership, we place great value on the feedback and suggestions of our clients. Please don't hesitate to contact us directly with any comments or questions

As always, we thank you for your continued interest in the USA Mutuals family of Funds.

Sincerely,

Michael N. Loukas
President & CEO | USA Mutuals

Broad Market Performance

The month of May performance was 3.12%, resulting in a current YTD performance of +1.44%. The S&P gained 2.16% in the same period, bringing its YTD performance to +2.02. As mentioned in recent letters, trade friction may be an overshadowing concern and domestic stocks which are less directly affected by trade and commonly found in second-tier stock indexes vs. their blue-chip brethren (S&P) have continued their resiliency. The outperformance by this group continued into May as the S&P 600 Small-Cap gained 6.33% while the Russell 2,000 Smallest Cap gained 5.95%, and the S&P 400 Mid Cap gained 3.96%.

Market Commentary

Last month we highlighted the possibility that other factors may have played a part in the volatility besides the plethora of exogenous inputs. From a historical perspective, there continues to be a heightened level of anxiety, manifesting in clusters of daily market declines greater than -1.4%. However, on May 9th, after that session's nearly 1.00% gain, the S&P moved into the plus column YTD. Since that point, the S&P's daily selloffs have generally been contained, and the two largest daily declines were followed by even larger gains in the following sessions more importantly, and in sharp contrast to last month, the S&P consistently held onto YTD gains during these daily, contained reactions.

Indicator of the Month

I'd like to revisit one of last month's observations, which was witnessed through the lens of our Econometric Model while in acceleration mode, wherein the S&P 500 in the two preceding months had diverged relative to its historical performance (post-1995). History shows that the S&P has traded roughly 6.00% above its 9-month moving average with the model in acceleration mode, while clusters of underperforming months in the S&P have tended to see a rebound in the succeeding months. In last month's rebound, the S&P traded roughly 2.50% above the average (roughly 5% if the S&P had closed the month four days later). Secondary averages such as the Russell 2,000, which had not diverged by such a wide degree compared to the S&P at month's end, continued to push upward. The Russell was 7.00% above its 9-month moving average, while the NASDAQ Composite stood 6.80% above. We have received numerous inquiries regarding this indicator, and it would seem beneficial to elaborate on a few additional features which characterize the Model's other phases vs. S&P performance relative to its 9-month moving average. When the Model is one notch below the acceleration mode, which we'll refer to as "4th gear," the S&P has generally traded roughly 4.20% above its 9-month moving average, which is just about 1.80% below the highest gear. 4th gear has occurred 11% of the time since 1995. Conversely, when this Model has been in a deceleration mode, which has occurred under 7% of the time, the S&P has traded roughly 13.00% below its 9-month moving average and almost 10.00% below its moving average when using a median or midpoint. Lastly, when the S&P has outperformed its historical deceleration mode averages, the S&P became vulnerable months later. Given the assumptions behind this context, it would seem highly advisable to take notice of significant changes in the Econometric Model.



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Summary

The table below depicts our yearly net returns alongside worst cumulative monthly drawdowns each year followed by how many months it took to recover 66% and then 100% of these pullbacks. On average, a recovery of 66% in these yearly pullbacks has averaged 1.88 months, while it took an average of 4 months to recover 100% of a drawdown. Following the most recent downturn, the recovery is now 2 months in the making and has recouped 40% of the drawdown and roughly 70% if recorded four days after the end of the month.

Yearly Cumulative Monthly Drawdown and Months to Recover 66% to 100% of These Drawdown

Year	UNAVX	WDD	Months to Recover 66%-100%	Months to Recover 100%
2002	17.83%	-5.23%	1	3
2003	40.72%	-1.70%	1	1
2004	7.80%	-6.26%	3	8
2005	9.43%	-3.77%	1	4
2006	18.39%	-5.95%	1	2
2007	5.36%	-6.82%	3	6
2008	8.98%	-4.27%	1	2
2009	16.75%	-11.85%	2	3
2010	10.88%	-14.42%	3	6
2011	3.09%	-6.38%	5	6
2012	4.80%	-5.07%	4	8
2013	25.12%	-2.71%	1	2
2014	8.80%	-3.95%	1	1
2015	-1.38%	-5.89%	1	10
2016	7.62%	-3.88%	1	1
2017	18.36%	0.03%	1	1
2018	1.44%	-7.27%		
Avg	12.00%	-6.17%	1.82	3.82

Thanks for your interest,

Steven Goldman

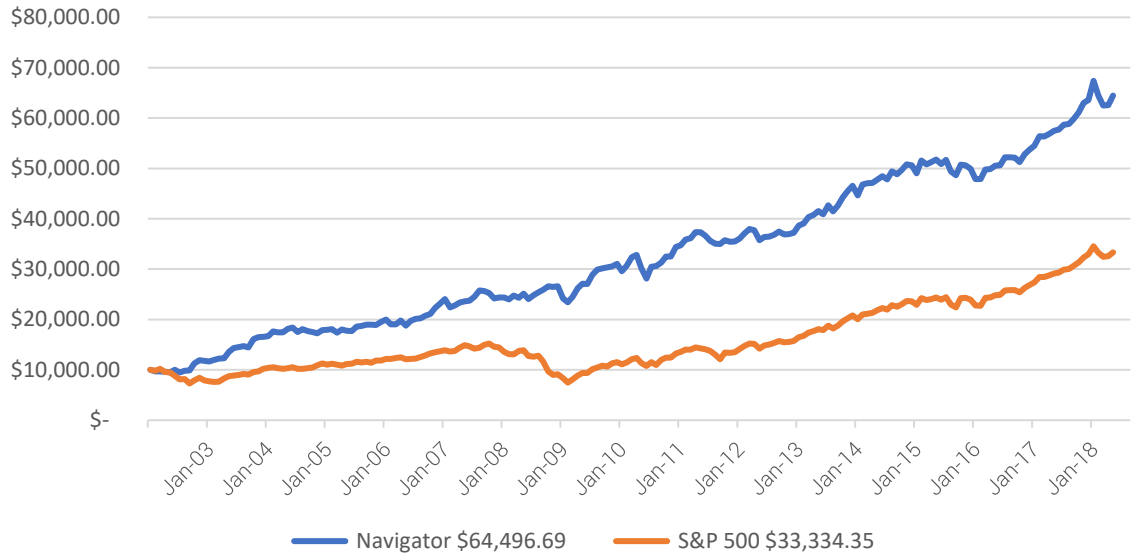


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Growth of UNAVX vs. S&P 500 (02/01/02 to 05/31/18)

*This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on 02/01/2002 following its inception. Assumes reinvestment of dividends and capital gains. This chart does not imply any future performance.



Performance Table

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Returns	WDD*
2002	n/a	-2.84	-0.44	-0.40	-1.10	4.76	-5.06	3.85	0.58	13.97	5.72	-1.21	17.83%	-5.23%
2003	-0.84	2.41	2.39	0.51	10.04	5.69	1.50	1.11	-1.70	11.38	2.32	0.70	40.72%	-1.70%
2004	0.75	5.67	-1.03	-0.12	4.06	1.39	-4.75	3.21	-2.32	-0.79	-1.61	3.57	7.79%	-6.26%
2005	0.61	0.39	-3.77	3.54	-1.40	-0.07	5.03	0.72	1.30	-0.15	-0.14	3.29	9.44%	-3.77%
2006	2.13	-4.71	-0.03	3.88	-4.96	5.00	2.03	0.60	2.34	1.55	6.20	3.68	18.39%	-5.95%
2007	3.81	-6.82	1.68	2.60	0.91	0.60	3.22	5.25	-0.58	-1.31	-4.49	1.02	5.36%	-6.82%
2008	-0.07	-1.58	3.13	-1.66	3.16	-4.27	3.18	2.43	2.05	2.58	-0.42	0.41	8.97%	-4.27%
2009	-9.13	-2.99	4.42	7.21	3.33	-0.14	6.59	3.55	0.97	0.54	0.62	1.69	16.74%	-11.84%
2010	-4.60	3.61	5.57	1.39	-8.25	-6.72	8.41	0.37	2.44	3.82	0.00	5.82	10.88%	-14.42%
2011	0.86	3.28	0.71	3.46	-0.10	-1.84	-2.73	-1.71	-0.14	2.25	-0.83	0.05	3.09%	-6.38%
2012	1.59	3.11	2.14	-0.56	-5.33	1.79	0.25	1.03	1.64	-1.43	0.18	0.56	4.80%	-5.07%
2013	3.93	1.10	3.15	1.22	1.75	-1.49	4.35	-2.77	2.67	4.08	2.77	2.12	25.12%	-2.71%
2014	-3.99	4.79	0.50	0.19	1.34	1.41	-1.22	3.21	-1.10	1.81	2.14	-0.33	8.80%	-3.95%
2015	-3.15	5.18	-1.40	0.78	1.01	-1.76	1.68	-4.44	-1.56	4.29	-0.15	-1.43	-1.38%	-5.89%
2016	-4.02	-0.10	4.05	0.14	1.41	0.09	3.12	0.01	-0.14	-1.69	3.12	1.65	7.62%	-3.89%
2017	1.49	3.39	-0.03	0.85	1.09	0.46	1.71	0.19	1.76	2.18	3.03	0.95	18.36%	-0.10%
2018	5.95	-4.35	-3.06	0.10	3.12									
Avg.													12.66%	-5.52%

*WDD - Worst cumulative monthly drawdown

Standardized Performance



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(As of 05/31/2018)

	1 Year	5 Year	10 Year	Since Inception*
UNAVX	12.30%	9.22%	9.90%	12.09%
S&P 500 Index	13.99%	13.31%	9.49%	7.60%

*Inception: 02/01/2002

Net Expense: 1.99%, Gross Expense: 2.75% The advisor has contractually agreed to limit expenses through 7/31/19.

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.

DEFINITIONS

S&P 500 - American stock market index based on the market capitalizations. Drawdown- Usually quoted as the percentage between the peak and the subsequent trough. NASDAQ-100 is a stock market index made up of 107 equity securities issued by 100 of the largest non-financial companies listed on the NASDAQ. Forward price to earnings (P/E)- is the measure of a company's P/E ratio using its expected earnings. S&P Mid Cap 400- provides investors with a benchmark for mid-sized companies. S&P 600 Small-Cap Index - index of small-cap stocks managed by Standard and Poor's. Russell 2000- Index is a small-cap stock market index of the bottom 2,000 stocks in the Russell 3000 Index.

It is not possible to invest directly in an index. Econometric Model – identifies the statistical relationship that is believed to hold between the varied economic quantities concerning a particular economic phenomenon under study.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security. The USA Mutuals Funds are distributed by Compass Distributors, LLC.

Simultaneous with the commencement of the Fund's investment operations on October 13, 2017, the Goldman Navigator Fund, L.P., a limited partnership managed by Mr. Steven Goldman, the Fund's portfolio manager (the "Predecessor Partnership"), converted into the Institutional Class shares of the Fund by contributing all its assets to the Fund in exchange for Institutional Class shares of the Fund.

Performance data quoted prior to October 13, 2017, represents the past performance of the Goldman Navigator Fund, L.P., a limited partnership managed by Mr. Steven Goldman, the Fund's portfolio manager (the "Predecessor Partnership"). From its inception in 2002 through 2012, the Predecessor Partnership was managed as a proprietary account of the portfolio manager and was converted to a limited partnership in 2012. From its inception on February 1, 2002, through October 13, 2017, the Predecessor Partnership maintained investment policies, objectives, guidelines, and restrictions that were, in all material respects, equivalent to those of the Fund, and at the time of the conversion, the Predecessor Partnership was managed by the same portfolio manager as the Fund. Such portfolio manager managed the Predecessor Partnership since its inception in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Fund. The Fund's performance for periods before October 13, 2017, is that of the Predecessor Partnership and includes the expenses of the Predecessor Partnership. The performance includes gains or losses plus income and the reinvestment of all dividends and interest. All returns reflect the deduction of all actual fees and expenses, paid by the Predecessor Partnership, without provision for state or local taxes. If the Predecessor Partnership's performance was adjusted to reflect the projected first-year expenses of the Fund, the performance for all periods would have been lower than that stated. The Predecessor Partnership was not registered under the 1940 Act and was not subject to certain investment limitations, diversification requirements, and other restrictions imposed by the 1940 Act and the Internal Revenue Code of 1986, as amended (the "Code"), which, if applicable, may have adversely affected its performance. On a going forward basis after October 13, 2017, the Fund's performance will be calculated using the standard formula set forth in rules promulgated by the SEC, which differs in certain respects from the methods used to compute total returns for the Predecessor Partnership. Please refer to the Financial Statements section of the Fund's SAI to review additional information regarding the Predecessor Partnership. [Click here](#) for a prospectus.

Mutual fund investing involves risk; principal loss is possible. Leveraging may exaggerate the effect on net asset value of any increase or decrease in the market value of a Fund's portfolio. Investing in derivatives may subject the Fund to losses if the derivatives do not perform as expected. Short sales involve selling a security that a Fund borrows and does not own. Short sales carry significant risk, including the risk of loss if the value of a security sold short increases prior to the



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scheduled delivery date since a Fund must pay more for the security than it has received from the purchaser in the short sale. Futures contracts are subject to the same risks as the underlying investments that they represent, but also may involve risks different from, and possibly greater than, the risks associated with investing directly in the underlying investments. The Funds may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. This risk increases with emerging markets. Small and mid-size companies involve additional risks such as limited liquidity and greater volatility. Investments in futures may result in a substantial loss in a short period. The loss may be more than the original investment. One cannot invest directly in an index.

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 (888) 123-4589 or visit our website at [www.\[fund website\].com](http://www.[fund website].com). Read the prospectus or summary prospectus carefully before investing.



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