

## June 2018 Update

### Investment Objective

The investment objective of the Fund is to produce positive absolute returns while reducing exposure to general equity market risk.

### Value Proposition

- ✓ +15yr track record
- ✓ Uncorrelated to S&P 500
- ✓ 1.83 Sortino & 0.85 Sharpe Ratio

### Investment Strategy

**Core Long/Short Equity Strategy**  
Combines a top-down, quantitative sector allocation process with a 'quantamental', bottom-up securities selection process to build a diversified portfolio of long and short positions in common stocks and options of primarily U.S. companies.

**Macro Overlay Strategy**  
Invests in futures contracts, options on futures contracts and other investment companies, including mutual funds and exchange-traded funds ("ETFs") with the intent of either increasing overall market exposure or reducing market exposure and hedging systematic market risk.

**Risk Management Strategy**  
Seeks to minimize the expected volatility of the Fund's returns, reduce the downside risk of the Fund during periods of sustained market declines, and protect the Fund against risks related to extreme and rare events (tail risk) that can result in unexpected and significant losses.

### Investment Information

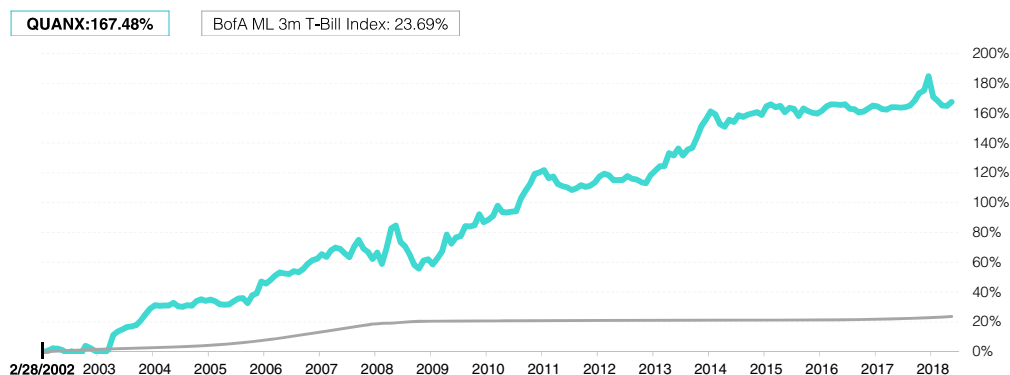
Fund Ticker: **QUANX**  
 Inception Date: **2/28/2002**  
 Net Expense: **1.30%**  
 Gross Expense: **2.21%**

*The advisor has contractually agreed to limit expenses through 7/31/2019.*

**\$2,000 MINIMUM INVESTMENT  
 \$100 FOR RETIREMENT ACCOUNTS**

The **USA Mutuals/WaveFront Hedged Quantamental Opportunities Fund** is designed for investors seeking to capture positive, consistent and meaningful rates of return with lower levels of volatility, in any type of economic cycle. Investment opportunities and relevant themes are identified through a "Quantamental" approach that combines quantitative and fundamental research.

### Cumulative Growth Summary | 2/28/2002 – 6/30/2018



### Performance Summary | as of 6/30/2018

*Performance greater than 1 year is average annualized.*

Share Class/Benchmark	1 Year	3 Years	5 Years	10 Years	15 Years	Inception*
<b>Institutional Class (QUANX)</b>	<b>1.34%</b>	<b>0.86%</b>	<b>2.92%</b>	<b>3.77%</b>	<b>5.87%</b>	<b>6.20%</b>
BofA ML 3-Month U.S. T-Bill Index <sup>2</sup>	1.31%	0.66%	0.41%	0.35%	1.28%	1.31%

\*Inception 2/28/2002

*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.*

### Risk/Return Statistics | 2/28/2002 – 6/30/2018

	<b>Institutional Class (QUANX)</b>
Standard Deviation	<b>7.26%</b>
Worst Drawdown	<b>-15.64%</b>
Avg. Monthly Gain	<b>1.80%</b>
Avg. Monthly Loss	<b>-1.21%</b>
Correlation (vs. S&P 500 <sup>3</sup> )	<b>0.55</b>
Sharpe Ratio	<b>0.85</b>
Sortino Ratio	<b>1.83</b>

<sup>1</sup>**Morningstar Long-Short Equity Category:** The category assigned to fund's holdings at least 75% of their assets in both long and short positions in equities and related derivatives.

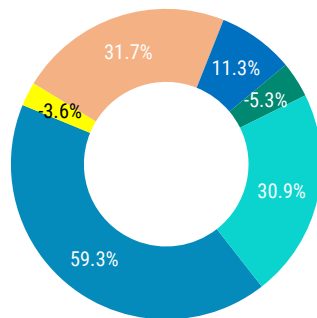
<sup>2</sup>**BofA Merrill Lynch 3-Month U.S. T-Bill Index:** An unmanaged index representative of three-month Treasury bills.

<sup>3</sup>**S&P 500 Index ("S&P 500"):** An unmanaged index representative of the U.S. large capitalization stock market.

You cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

## Portfolio Summary | as of 6/30/2018

Allocation	Long Exposure	Short Exposure	Net Exposure
Equities	74.40%	-15.12%	59.3%
Stock Indices	11.56%	-15.12%	-3.6%
Interest Rates	31.66%	0.00%	31.7%
Currencies	16.70%	-5.44%	11.3%
Commodities	4.60%	-9.89%	-5.3%
Cash & Equivalents	30.87%	-	30.9%
<b>Total Portfolio</b>	<b>169.79%</b>	<b>-30.45%</b>	



Asset allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security. Diversification does not ensure a profit or a guarantee against loss.

**Correlation:** A statistical measure of how two securities move in relation to each other.

**Worst Drawdown:** A measure of the maximum loss from a peak to a trough before a new peak is attained.

**Standard Deviation:** A measure of the dispersion of a set of data from its mean.

**Sharpe Ratio:** A risk-adjusted measure of a fund's performance that indicates a fund's return per unit of risk.

**Sortino Ratio:** The difference between a fund's returns and its expected performance given its level of risk.

Simultaneous with the commencement of the Fund's investment operations on October 16, 2017, BC Capital Investors, L.P., a limited partnership managed by the Sub-Advisor (the "Predecessor Partnership"), converted into the Institutional Class shares of the Fund by contributing all of its assets to the Fund in exchange for Institutional Class shares of the Fund. From its inception through October 16, 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 managers as the Fund and such portfolio managers 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 16, 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 performance returns of the Predecessor Partnership are audited. 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 16, 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.

**The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other information about the investment company, and they may be obtained by contacting 866.264.8783 or going to [www.usamutuals.com](http://www.usamutuals.com). Read it carefully before investing.**

*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 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. The USA Mutuals Funds are distributed by Compass Distributors, LLC.*

## Fund Management

Investment Advisor:

**USA Mutuals**

Sub-advisor:

**WaveFront Global Asset Management**

## Investment Team

**Roland Austrup - Portfolio Manager**

Mr. Austrup currently serves as Chairman and CIO of the sub-advisor and is co-portfolio manager for the Fund. Mr. Austrup holds a BA (Honors) from the University of Western Ontario and is an advisory board member for the Centre for Advanced Studies in Finance at University of Waterloo.

**Mark Adams, CFA - Portfolio Manager**

Mr. Adams currently serves as Senior Portfolio Manager of the sub-advisor, and is co-portfolio manager for the Fund. Mr. Adams holds a B.S. in Economics and B.A. from the University of Pennsylvania and is a Chartered Financial Analyst.

**John Lukovich, CFA - Portfolio Manager**

Mr. Lukovich currently serves as Portfolio Manager of the sub-advisor, and is co-portfolio manager for the Fund. Mr. Lukovich holds a Master of Applied Science and B.A.Sc. from the University of Toronto and is a Chartered Financial Analyst.

**Ryan Butz - Portfolio Manager**

Mr. Butz currently serves as President and Portfolio Manager for Okeanos, LP and is co-portfolio manager for the Fund. Mr. Butz holds a Bachelor of Finance from Marquette University.