



December 07, 2018

Dear Friends and Investors,

The following market overview for the month of November 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

For the month of November UNAVX gained 1.85%, resulting in YTD performance of 2.93%. In the same month, the S&P gained 2.04%, bringing its YTD performance to 5.11%. The significant outliers on the month were Apple stock, which declined over 20% (see below), and Crude Oil, which declined by a whopping 22% in the month. This was the weakest month for Crude Oil in over 10 years, although the declines were not related to demand. The news headline ebb and flow combined with mercurial tweets regarding China tariffs have been a dominant factor influencing the largely self-inflicted, short-term movements in stock prices.

Late note: Yields on 2 and 3-year Treasuries are running higher than that of the 5-year. As discussed in previous letters, 3-month to 10-year are more significant. Historically, the inversion of the 2-year and 5-year Treasuries has not been material for equity prices unless accompanied by an inversion in the 3-month to 10-year Treasuries.

Indicators

As stated last month, with the S&P 500 within 1% of the highs in October the summation of our indicators registered an unfavorable risk/reward ratio, isolating the short-term direction in stock prices and triggering a tactical shift in equity allocation. Consequently, a reduction in equity allocation occurred. In addition, a second tactical shift occurred in November, roughly 1% from the highest monthly levels. Equity allocation has/had been reduced by roughly 20%, our lowest allocation in a couple of years.

Our previous letter highlighted the fact that the Daily Sentiment Model ("DSM"), which encompasses more than three dozen indicators, rose to 275 on October 24th, a favorable reading in the short-term. At the time, we wrote: "In addition, towards the end of October an analog going back to 1950's generated a favorable signal for equity prices in non-recessionary periods". The S&P over the next seven trading sessions gained over 6%, fulfilling these projections. Almost a month later, the DSM rose to 233 (the day after Thanksgiving), which is considered another favorable reading in a bull market. In a retest of the recent lows, it is common for the Model to peak at a lower level than the first buy signal as observed at the first low, but it still managed to enter into bullish territory. Additionally, similar to last month, another analog or trading pattern registered a buy signal towards the end of the third week in November. Although these projections were not as strong as the previous month's analog, the reading is considered to be favorable.

Late note: The S&P gained 6% in six days, starting on 10/29/18, fulfilling the bullish readings from DSM. **Past Performance is Not Indicative of Future Results**

Note that as of December 7, 2018, Apple and Crude Oil are not a holdings in the Navigator Fund.



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A Bite of the Apple

Apple was the largest capitalized stock in the S&P 500, weighted at roughly 3.75%, and is/was probably the most beloved stock on Wall Street. The legendary Warren Buffet had been the largest purchaser of Apple stock, picking up 5% of the stock since 2016, becoming the second largest shareholder. The stock comprised a hefty 26% of the Berkshire portfolio. In November, Apple shed a whopping 21%, singularly contributing .75% decline in the S&P. Additionally, Apple's status as a bellweather to technology issues and the S&P most likely led to a much greater domino effect than just the 3/4% decline in the S&P.

Furthermore, according to Goldman Sachs, the most popular long positions held by hedge funds (including Apple) have lagged the S&P by an incredible 7% since mid-June. The HFRX Index at the market lows last month was lower by over -6% YTD. As stated in earlier letters, once YTD losses have been incurred in the S&P after an extended period of months in positive territory, greater volatility (data driven) has typically been the result. This study may also apply to Hedge Fund returns vastly underperforming and incurring substantial losses YTD. Their aggregate behavior may have also contributed to greater volatility, though that thought is conjectural and is not data driven.

As noted above, the impact from Apple stock and those stock issues that are correlated to Apple led to a concentrated selloff in the S&P during November. Using an equal weight measure in the S&P 500 relative to a capitalized weighting reveals that equal weight outperformed the capitalized by a whopping 3.00% from the market lows on October 26th to the November lows. At the November lows the S&P declined in the month by 2.92%, while the equal weighted S&P declined by only -0.73%.

Thanks for your interest,

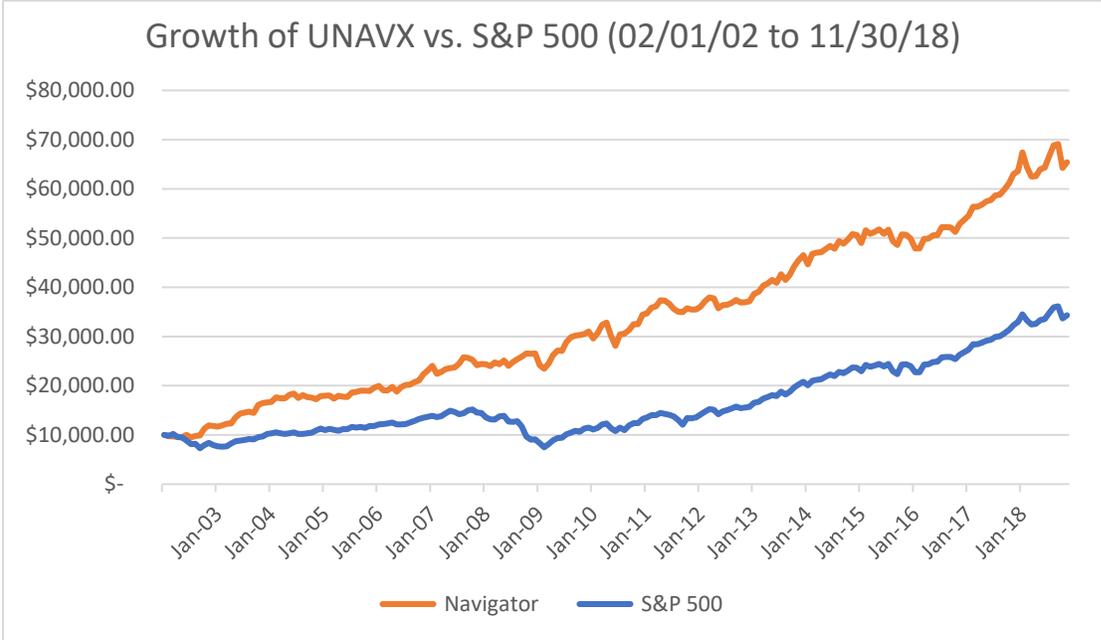
Steven Goldman



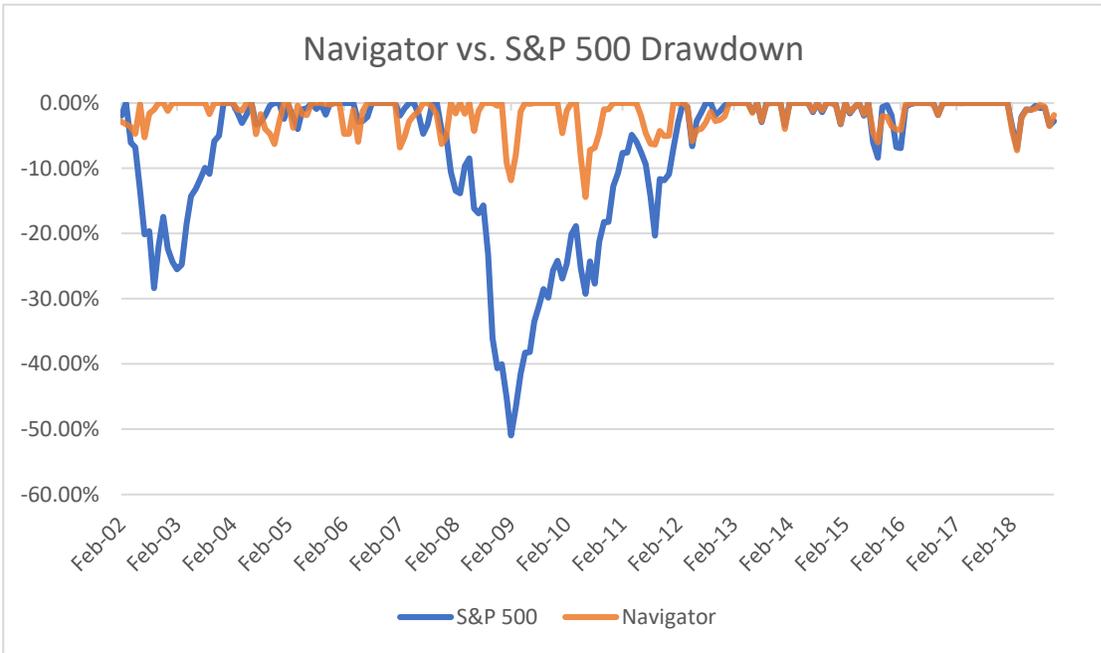
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*This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on 02/01/2002 following its inception. Assumes reinvestment of dividends and capital gains. This chart does not imply any future performance.



Past performance does not guarantee future results



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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	2.34	0.48	3.65	3.25	.40	-7.02	1.85			
Avg.													12.66%	-5.52%

*WDD - Worst cumulative monthly drawdown

Standardized Performance (As of 11/30/2018)

	1 Year	5 Year	10 Year	Since Inception*
UNAVX	3.90%	7.52%	9.48%	11.81%
S&P 500 Index	6.27%	11.12%	14.32%	7.60%

Standardized Performance (As of 09/30/2018)

	1 Year	5 Year	10 Year	Since Inception*
UNAVX	15.51%	10.17%	10.31%	12.30%
S&P 500 Index	17.91%	13.95%	11.97%	8.01%

*Inception: 02/01/2002

Net Expense: 1.99%, Gross Expense: 3.17% 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.



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DEFINITIONS

Long Position – A trading position that the investor will hold in hopes the price will rise.

Daily Sentiment Model ("DSM") – Is encompasses more than three dozen indicators.

Forward PE – Measure of a company's P/E ratio using its expected earnings.

Basis Point - one hundredth of one percent, used chiefly in expressing differences of interest rates.

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.

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.

Econometric Model – Identifies the statistical relationship that is believed to hold between the varied economic quantities concerning a particular economic phenomenon under study.

Spread – The difference between two prices or interest rates.

Index of Leading Economic Indicators (LEI) - The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component – primarily because they smooth out some of the volatility of individual components.

It is not possible to invest directly in an index.

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 of 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.



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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.

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call 1(800) MUTUALS or visit our website at www.usamutuals.com. Read the prospectus or summary prospectus carefully before investing.



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