January 01, 2019

Dear Friends and Investors,

The following market overview for the month of December 2018 was released December 26th, 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 December UNAVX lost -7.61, resulting in a -4.91% for 2018. The S&P declined by -9.03% in December, finishing at -4.38% for the year.

Market Commentary

It has always been our observation that when the summation of our indicators registered an unfavorable risk/reward ratio in the short and intermediate-term direction for stock prices, the markets become more vulnerable to negative news. Conversely, and until October, during a regime of favorable readings in our indicators the markets managed to robustly absorb the negative news and, these days, *tweets*. However, I cannot recall a time in history when one person, in this instance the President, pursuing the single theme of China Trade, has seemingly dictated the direction of global economies and global stock prices- though granted that China and the European economies were already viewed as fragile.

A compromise/ truce/narrowing-of-the-gap of these differences is always difficult to predict, as is the timing of any resolution. The chart above clearly displays that this year's soybean prices, the Shanghai Composite and the German Dax all reflected and reacted powerfully to the China tariff news. Soybeans are the most vulnerable to trade and as depicted above were the first to decline at the end of May. The Shanghai Composite nosedived simultaneously with soybeans, while the Dax, though roughly 2.5% away from new highs in June, eventually succumbed to the trade war friction as well.

For the record, in 2017, China's trade imbalance with the US stood at $375 billion. One wonders if a potential agreement narrowing the deficit to $325 billion would be deemed a success vs the cumulative global wealth destruction brought on by a trade war? Rampant IP

theft by China should be a greater concern, but that could have been dealt with as a separate issue. In our opinion, had an agreement with China been reached this month, the market's response would have rendered a radically different outcome. Our base case has been for an eventual agreement to be reached, but the heightened sense of chaos in the short term is assuredly not helping matters. This state of uncertainty can be acutely noted in the market's behavior heading into the weekends. In the nine Friday's ending December 21st, the S&P traded lower in seven and the cumulative point loss has amounted to nearly 250, which is remarkable! It essentially equates to a 9% decline in the S&P 500 and more than 70% of the cumulative decline during this time span.

Indicators

Non-economic or non- recessionary stock market corrections greater 10.5% since 1960 have occurred in 10 periods. The average duration of these declines was roughly 4.25 months (and since 1978 the average length was three months) and the average decline was roughly -19.00%. The S&P has so declined by just under 20%. The largest decline was in 1987 at over -30%, and while the stock market was vulnerable, portfolio insurance may have exaggerated the declines. In the 1960's, two other declines led to losses in the low to mid - 20% range and both periods saw similar interest rate levels as the present. In both of these periods, stock prices reached a bottom that was characterized by similar valuations levels as the current PE ratio. This analysis is based on the previous two quarters of earnings and two forward forecasts in quarterly earnings with the assumption that earnings forecast will be roughly in line with expectations.

Consensus earnings estimates for the S&P 500 next year are expected at $175.50, up from $162.35 this year, implying a growth rate of 7.9%. Implied in this analysis is an expansion of profit margins, stretching to 12.4% from 11.9%. This is surprising given the macro backdrop. Nominal GDP growth next year is expected in the range of 4.5% to 5% and S&P sales growth 5.3%. Subsequently, imputing a flat profit margin this year equates to earning's growth equal to sales growth, implying earnings at a $170-$172 range. Valuations on the S&P 500, utilizing the next two quarters at year end in the forecast and conservatively assuming those forecasts are correct, produce a PE ratio that is a back to levels from the first quarter of 2013.

Summary

For new readers, a two-year retrospective of our tactical equity allocation shows a steadfast range, settling between 100% to 110% for nearly 24 months ending this September. When the S&P 500 was within 1% of all-time highs in October, the summation of our indicators registered an unfavorable risk/reward ratio, isolating the short-term/intermediate direction in stock prices. This triggered a tactical shift and resulting reduction in equity allocation. In addition, a second signal occurred in November, triggering our second tactical shift in 30 days. At this time, the S&P was roughly 1% from its highest monthly levels. Our Equity allocation was further reduced in December as market risk had increased another notch, also within 1% of the month's highs. In total, our Equity allocation was reduced by 30%. Overshadowing the shifts in equity allocation was the asymmetric potential for trade agreement with China, which would have led to a sharp upward reversal in stock prices, thus rendering the summation of our indicators less effective. While the success of our track record is beholden to our "weight of the evidence or the summation of our indicators", as stated above, an exogenous factor entered into the equation which, in our estimation, made it nearly impossible to handicap the exact timing of the outcome. Unfortunately, this mitigated further reductions in our tactical allocation. Despite the rapid 30% exposure reduction, this critical lack of visibility led to an error in judgment regarding further reduction, manifesting into what may be one of the worst declines in our track record. We are confident this was an anomalistic event and look forward to greater visibility and performance as an agreement with China nears.

*Graphs show performance of the Copper, Shanghai composite and the German Dax Index YTD as of December 26,2018.

Thanks for your interest,

Steven Goldman

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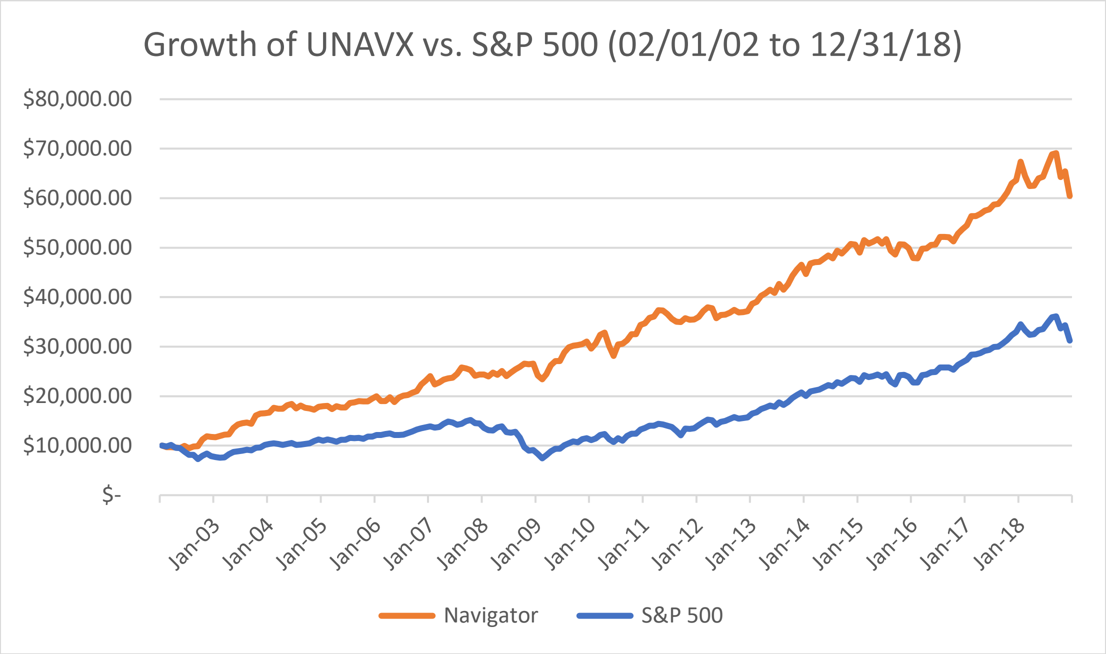
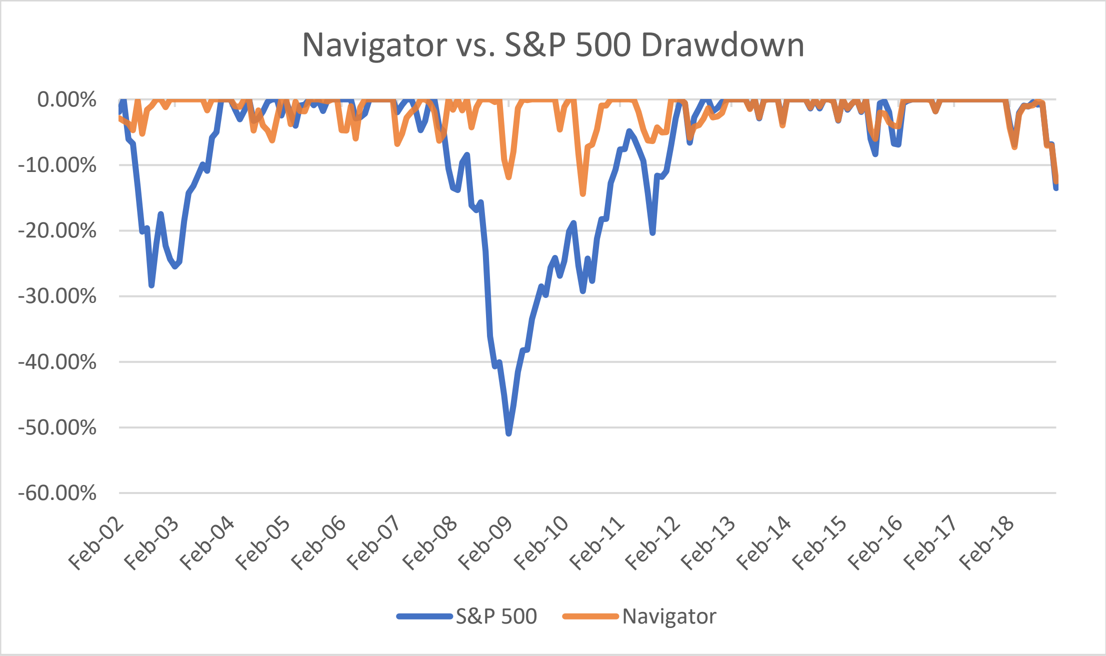


*This chart illustrates the performance of a hypothetical $10,000 investment made in the Fund on 02/01/2002 following its inception. Assumes reinvestment of dividends and capital gains. This chart does not imply any future performance.

Past performance does not guarantee future results



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	0.40	-7.02	1.85	-7.61	-4.91%	-12.15%
Avg.													11.23%	-6.00%

*WDD - Worst cumulative monthly drawdown

Standardized Performance (As of 12/31/2018)

	1 Year	5 Year	10 Year	Since Inception*
UNAVX	-4.91%	5.39%	8.57%	11.23%
S&P 500 Index	-4.38%	8.49%	13.12%	6.97%

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.

DEFINITIONS

Copper Index - investment vehicle that tracks a basket of copper commodities to measure their price and investment return performance.
Shanghai composite - s a market composite made up of all the A-shares and B-shares that trade on the Shanghai Stock Exchange.
German Dax - stock index that represents 30 of the largest and most liquid German companies that trade on the Frankfurt Exchange.
DAX is a stock index that represents 30 of the largest and most liquid German companies that trade on the Frankfurt Exchange.
PE Ratio - price-earnings ratio is the ratio for valuing a company that measures its current share price relative to its per-share 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.

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 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.