



February 4th, 2019

Dear Friends and Investors,

The following market overview for the month of January 2019 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

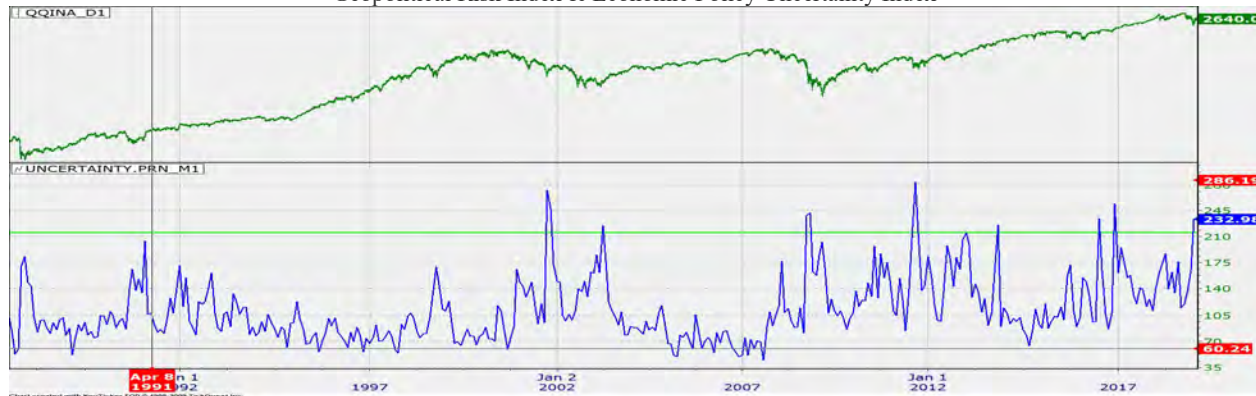
**Broad Market Performance**

For the month of January, UNAVX gained 7.38% while the S&P increased by 7.87%. Since the interim letter was sent out in the morning of December 26th, the S&P has advanced by 15.04%. The S&P had its best January since 1987. Furthermore, there were only four other gains greater than 7.5% in the month of January since 1950.

**Market Commentary**

As detailed in our April letter, “the persistent and unusual supply of news stories have triggered substantial gyrations in stock prices in the past couple of months”. The chart below is similar to the one in April which depicts the S&P along with one gauge that tracks impactful news stories related to economic policy uncertainly, formally referred to as the Index on Economic Policy Uncertainty (“EPU”). This Index is comprised of three components; newspaper coverage, federal tax code provisions set to expire in future years and disagreement among economic forecasters as a proxy for uncertainty. The data series is compiled monthly, with an inception date of January 1985. This Index rose to 233 at the end of December from 166 the month before - the highest level since the Presidential Election in November 2016 when it rose to 254. The other data series that was detailed in April was the Geopolitical Risk Index (“GRI”). This Index is compiled by counting the words related to geopolitical tensions in leading international newspapers, using 11 newspapers dating back to 1985. This data series has been generally stable in the past few months. Furthermore, the Global Economic Policy Uncertainty spiked in December to 337 from 267, surpassing the previous record from 308 in January 2017. This monthly data series only goes back to January 1997. Overall, elevated levels in these data series have generally seen stock prices rebound on the short-term to intermediate basis (one year hence).

Geopolitical Risk Index & Economic Policy Uncertainty Index



\*Past performance does not guarantee future results



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The market's recent capitulation phase that ended on December 24th based on one of our indicators occurred only two other times since 1950, first in 2001 and again in 2008. Within 26 days of that capitulation, the S&P's maximum gains were 13.91% and 21.36% respectively. This time around the S&P rose by 15.04%. Additionally, our Daily Sentiment Model, which was highlighted a couple of other times in the past few months, rose to 356 which is considered a bullish reading when not in a bull market. Since the end of the Great Recession the last times the readings rose to similar levels were in August 2011 and August 2015, both leading to rebounds in stock prices. The table below depicts the worst cumulative monthly drawdowns ("CMD") each year followed by how many months to recover 66% and then 100% of these pullbacks. This is a core statistic in our track record that represents a critical differentiator versus our industry peers. On average, a recovery of 66% in these yearly pullbacks has averaged 1.71 months, while it took 4 months to recover 100% of a drawdown. To note: the 3 worst CMD's which averaged -12.40% took just 2 months to recover 66% of the declines. In 11 out of 17 years, comprising 69% of the occurrences, the CMD was recouped in 1 month. Lastly, the CMD at month end stood at -4.38%.

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

Year	WDD	Months to Recover 66%-100%	Months to Recover 100%
2002	-5.23%	1	3
2003	-1.70%	1	1
2004	-6.26%	3	8
2005	-3.77%	1	4
2006	-5.95%	1	2
2007	-6.82%	3	6
2008	-4.27%	1	2
2009	-11.85%	2	3
2010	-14.42%	3	6
2011	-6.38%	5	6
2012	-5.07%	4	8
2013	-2.71%	1	2
2014	-3.95%	1	1
2015	-5.89%	1	10
2016	-3.88%	1	1
2017	0.03%	1	1
2018	-10.92%		
<b>Avg</b>	<b>-5.83%</b>	<b>1.82</b>	<b>4.00</b>

Thanks for your interest,

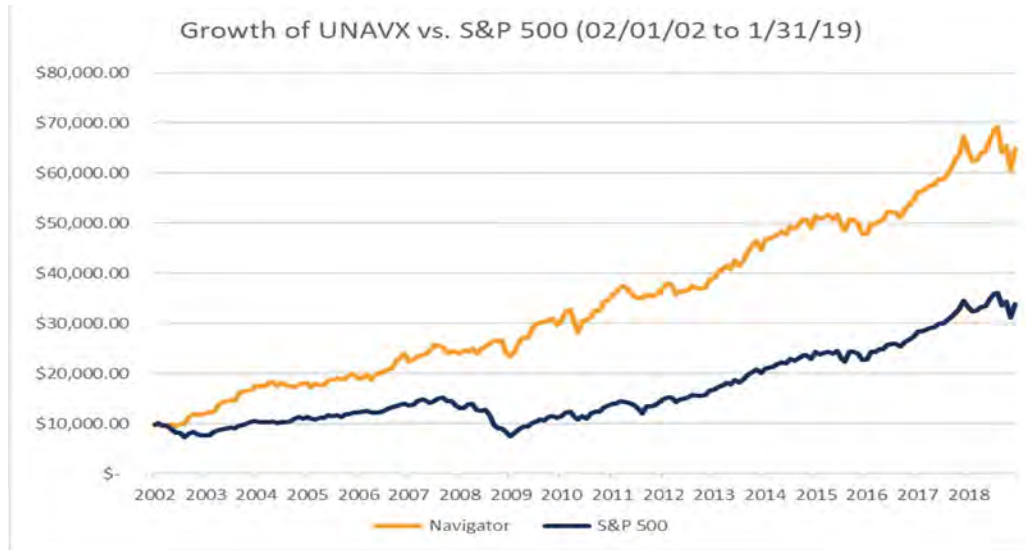
Steven Goldman



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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.



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	<b>0.48</b>	3.65	3.25	0.40	-7.02	1.85	-7.61	-4.90%	-10.92%
2019	7.38												7.38%	-
Avg.													11.63%	-5.83%



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Standardized Performance

(As of 01/31/19)

	1 Year	5 Year	10 Year	Since Inception*
UNAVX	-3.62%	7.77%	10.40%	11.63%
S&P 500 Index	-2.31%	10.96%	15.00%	7.42%

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%

\*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**

**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

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 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



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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](http://www.usamutuals.com). Read the prospectus or summary prospectus carefully before investing.***



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