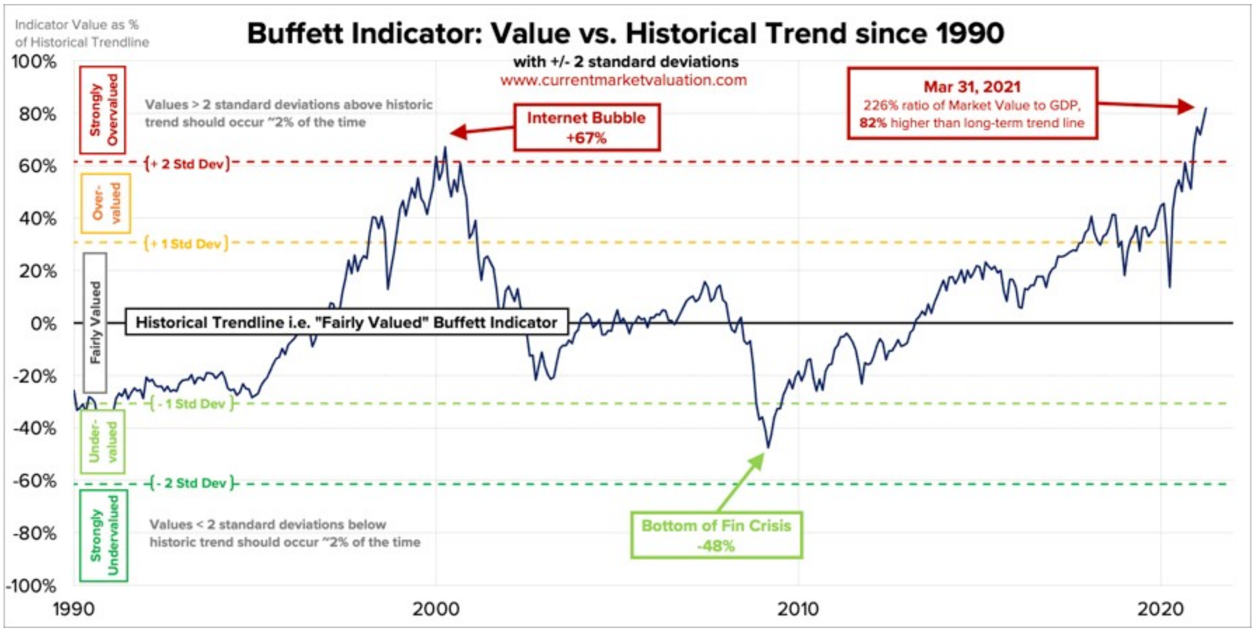
A Potential Investment Solution for Uncertain Times

The Problem: Both equity and bond valuations are near historic highs and their diversifying benefits in a portfolio are suspect going forward.

Equities
At current levels, many equity valuation indicators suggest unprecedented froth. The simplistic "Buffet Indicator" is a ratio of total United States stock market valuation to GDP. At one time, Warren Buffet called this ratio, "the best single measure of where valuations stand at any given moment." It is near all-time highs. If we calculate this indicator from March 31, 2021:

Aggregate US Market Value: $49.3 Trillion
Current Quarter Annualized GDP (Estimate): $21.8 Trillion
Buffet Indicator: $49.3T/$21.8T = 226
This is approximately 82% above the historical average



Source: Currentmarketvaluation.com

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Bonds

We believe bond valuations offer very little reward for potentially enormous risk in a fast-moving inflationary environment. Investing in the current bond market may offer a risk/return profile akin to the proverbial, “picking up pennies in front of bulldozer”. Even if an investor is willing to go deeper into low-grade high-yielding instruments, then they risk high correlation to equities when markets tank. The latest COVID equity market showed the high correlation of equities to high yield instruments. The below chart illustrates the historic low yield relative to the last 54 years.

10-year Treasury Rate 54 Year Chart

Source: Macrotrends.net

An Alternative Solution

The Navigator Fund (UNAVX) strategy is designed to have modest drawdowns relative to equity markets when equities and/or bonds tank meaningfully. It is also designed to have an independent return sequence to broader equity and bond market indices. It seeks to accomplish these goals with rules-based trading that exploits the behavioral herding of market participants. It uses the following risk management levers:

- Firm stop-losses on all open underlying positions
- Overnight option hedges against adverse short-term “tail moves”
- Only entering positions when the model detects an asymmetry skewed to reward over risk

We do not have an opinion on the mid or long-term movement of the equity or bond markets. We simply believe that our strategy offers an alternative that has 1) a higher probability of positive return streams without the "white knuckle" rollercoaster ride of equities or 2) the low-reward and potentially high risk offered in today's bond market.

Sincerely yours,

Ben Warwick

Paul Strehle

Important Disclosures

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 Northern Lights Distributors, LLC.
Northern Lights Distributors, LLC and USA Mutual Advisors, Inc are not affiliated.

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.*

IMPORTANT RISK INFORMATION:

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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