



All Seasons Fund (UNAVX) Commentary  
May 2023

The All Seasons Fund ended the month of May with a return of -3.38%.

Market Review

In May, Artificial Intelligence (AI) dominated headlines globally. As a result, growth stocks hugely outperformed value stocks with speculators trying to find the next big AI stock. An example the month's equity market dispersion was illustrated in the returns of the two Russell small cap indices. The Russell 1000 small cap growth index was up +4.6% and the Russell small cap value index was down -3.9%. The breadth of the equity market rally remains narrow.

On the rate front, the Federal Reserve hiked interest rates at the May meeting, but Fed Chair Powell said the FOMC may pause future rate hikes. He further added that we are closer to the end of the tightening cycle than the beginning. In his words, future rate decisions would be "data dependent." It does appear inflation is moderating. However, inflation remains a long way from the Fed's 2% target rate.

In Washington, both parties brokered a debt-limit deal. A worst-case US default appears averted until the next go round. In the near term, this deal allayed fears with the CBOE Volatility Index (VIX) dropping by the end of May and into June. As we move closer to the 2024 election cycle, we believe the debt deal brokered in May is the last time we will see the parties compromise on anything important. But at the moment, markets expect a summer of mild moves based on pricing in the volatility markets.

The All Seasons strategy had four moderately large trade entries that stopped out for a loss. While these stop losses can be frustrating in the short term; incurring small losses (and not letting them continue to lose) is critical to hunting for large gains with modest drawdown exposure. The model had a poor outcome in the month of May. Markets will offer a fresh set of opportunities in the coming months, and we stand ready to execute.

On a performance note, the [All Seasons Fund \(symbol: UNAVX\)](#) remained an overall FIVE-STAR (5-Star) Fund in [Morningstar's Equity Market Neutral Category](#) (out of 33 Equity Market Neutral funds) from its inception on October 13th, 2017 to May 31, 2023, based on risk-adjusted return.

Morningstar uses this step to calculate this rating:

1. Morningstar Risk-Adjusted Return: Adjust Morningstar Return for risk to get MRAR. Morningstar Risk is then calculated as the difference between Morningstar Return and Morningstar Risk-Adjusted Return.

The All Seasons Fund seeks capital appreciation and capital preservation with lower volatility throughout market cycles – highly correlated with the Standard & Poor's ("S&P") 500® Index in bull markets, and less or negatively correlated in bear markets.

Very truly yours,



Paul Strehle

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.

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Share prices and investment returns fluctuate and an investor's shares may be worth more or less than original cost upon redemption. For performance data as of the most recent month-end please call 1-866-264-8783.

**Fund Objective:**

The All Seasons Fund seeks capital appreciation and preservation with lower volatility throughout market cycles. The resulting portfolio targets a high correlation to the S&P 500 in bull markets and a lower, or negative, correlation in bear markets.

**Standardized performance as of (3/31/2023) Fund Inception (02/01/2002)**

	1 Year	5 Year	10 Year	Since Inception
UNAVX	14.66%	6.98%	8.07%	10.79%
S&P 500 Index	-7.73%	11.19%	12.24%	8.44%

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 und 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. Returns over one year are annualized. The Gross and Net expense 2.36% and 2.01%. The advisor has contractually agreed to limit expenses to 1.99% of the average net assets of the Fund through 7/31/2023.

**Definitions:**

**S&P 500 Index:** An unmanaged composite of 500 large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. You cannot invest directly in an index.

**CBOE Volatility Index (VIX):** VIX is the ticker symbol and the popular name for the Chicago Board Options Exchange's CBOE Volatility Index, a popular measure of the stock market's expectation of volatility based on S&P 500 index options.



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## Important Risk Information

Click here for [Prospectus](#)

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, member [FINRA/SIPC](#).*

*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](#).

*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*



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*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 Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

UNAVX received Five-Star ratings for 3-year (33 funds), 5-year (32 funds), and a Five-Star rating for overall (33 funds) periods ending May 31, 2023. All in Morningstar's Equity Market Neutral category based on risk-adjusted returns.

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