



All Seasons Fund (UNAVX) Commentary
February 2024

The All Seasons Fund ended the month of February with a return of +2.21%.

Market Review

Core inflation continued to show signs of deceleration, spurring all eleven equity sectors to rally higher in February. In contrast, fixed-income markets were broadly lower as investors extended the timing of potential Federal Reserve rate cuts.

US inflation has hovered in the 3 percent range for the last year and had its lowest year-over-year level in February. The Federal Reserve held the Fed Funds Rate at 5.50%, marking its fourth consecutive meeting of unchanged rates.

The bulk of earnings season occurred in February, with five of the “Magnificent Seven” US stocks reporting. Companies exceeded analyst expectations in three-quarters of the announcements – generally in line historically during bull markets. Notably, Nvidia exceeded earnings expectations and continues to be the primary beneficiary of the recent obsession with artificial intelligence.

On the quantitative front, the realized CBOE Skew (compared to the Implied CBOE SKEW index), one gauge of downside risk in equities, is at its most inverted in 20 years. Markets have been taking the escalator down and the elevator up, which is the reverse of historical behavior. We also believe it implies a risky market.

In short, this provides evidence of less hedging (fear) as more investors seek greater upside in this market (greed). There is a saying that bull markets end when the last bear throws in the towel. Skew is one way to measure this anecdote, as we believe few investors are managing their downside risk.

The fund seeks capital appreciation and capital preservation with lower volatility throughout market cycles. It is highly correlated with equities in bull markets and less or negatively correlated in bear markets. As Portfolio Managers of the fund since the end of 2020, we delivered positive returns in the three calendar years we have managed the fund, including a positive return during the bear market of 2022.

On March 1, 2024, the All Seasons Fund (UNAVX) received a [4-Star Overall Morningstar Rating™](#) from its inception on October 13th, 2017 to February 29, 2024, out of 230 funds, in the Tactical Allocation Category, 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.

Sincerely yours,



Paul Strehle

Fund Objective:

The 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.

Standardized performance as of (12/31/2023) Fund Inception (08/30/2002)

	1 Year	5 Year	10 Year	Since Inception
UNAVX	3.43%	7.29%	6.33%	10.31%
S&P 500 Index	26.29%	15.69%	12.03%	8.93%

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 are 3.26% and 1.99%. The advisor has contractually agreed to limit expenses to 1.96% of the average net assets of the Fund through 7/31/2024.

The Fund’s investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other information about the investment company, and they may be obtained by contacting 866.264.8783 or going to www.USAMutuals.com. Read it carefully before investing.

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.

Volatility - The degree of variation of a trading price series over time, usually measured by the standard deviation of logarithmic returns.

CBOE Volatility Index - A popular measure of the stock market's expectation of volatility based on S&P 500 index options.



fundinfo@USAMutuals.com
 1-800-MUTUALS
www.USAMutuals.com

Skew Index - A measure of the perceived tail risk of the distribution of S&P 500 investment returns over a 30-day horizon. The index values are calculated and published by the Chicago Board Options Exchange based on current S&P 500 options market data.

Put Option - a derivative instrument in financial markets that gives the holder the right to sell an asset, at a specified price, by a specified date to the writer of the put.

Important Risk Information

Click here for [Prospectus](#)

Performance data quoted prior to October 13, 2017 represents the past performance of the Goldman Navigator Fund, L.P., a limited partnership (the "Predecessor Partnership"). 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. 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. The Navigator Fund name was changed to the All Seasons Fund on July 21st, 2021.

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. One cannot invest directly in an index. Past performance is no guarantee of future results. *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.*

UNAVX received 4-Star Morningstar Ratings™ overall out of 230 funds, 5-Star for 3-year out of 230 funds, and 3-Star for 5-year out of 211 funds, for the period ending February 29, 2024. All in Morningstar's Tactical Allocation category, based on risk-adjusted returns. The 10-year returns are not included in the Morningstar rating because the Predecessor Partnership was not registered under the 1940 Act.

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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 Morningstar Rating does not include any adjustment for sales loads. 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 was rated against the following numbers of Tactical Allocation funds over the following time periods: 230 funds in the last three years, 211 funds in the last five years.

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