

**GENERATION WAVE GROWTH FUND
VICE FUND
Each a Series of USA MUTUALS**

**Supplement to the Prospectus and
Statement of Additional Information (“SAI”) dated July 30, 2009**

Effective February 9, 2010, Mutuals Advisors, Inc. (the “Advisor”), the investment advisor to the Generation Wave Growth Fund and the Vice Fund (collectively, the “Funds”) has terminated the Sub-Advisory Agreement between the Advisor and GNI Capital, Inc. As a result, GNI Capital, Inc. no longer serves as sub-advisor to the Funds, and Mr. Charles Norton and Mr. Allen Gillespie no longer serve as the Funds’ portfolio managers. All references to GNI Capital, Inc. are hereby removed from the Fund’s Prospectus and SAI.

The Advisor has assumed sole responsibility for the management of the Funds’ portfolios. Mr. Jeff Middleswart has joined the Advisor to serve as the Funds’ portfolio manager.

The following information on page 4 and page 7 of the Summary Section are hereby revised to read as follows:

Portfolio Manager

Mr. Jeff Middleswart, Chief Investment Manager of the Advisor, has managed the Fund since February 9, 2010.

The following sub-section beginning on page 16 of the Prospectus is hereby revised to include the following disclosure:

Portfolio Manager

Mr. Jeff Middleswart, Chief Investment Manager of the Advisor, is responsible for the portfolio management of and investment research for the Funds. Mr. Middleswart also serves as President of Behind the Numbers, LLC, an independent research firm serving institutional investors and hedge funds. He joined Behind the Numbers in 1988 and was promoted to Director of Research in 2001, and has served as President and CEO since 2007. Prior to Behind the Numbers, Mr. Middleswart served as a senior member and head of research for David Tice & Assoc., manager of the Prudent Bear Funds. Mr. Middleswart is often cited in numerous financial publications for his forensic research insights and perspectives. Mr. Middleswart has a Bachelor of Business Administration in Finance from Texas Christian University.

The following sub-section entitled “Management of the Fund – Portfolio Manager” beginning on page 30 of the SAI is hereby revised to read as follows:

Portfolio Manager

Mr. Jeff Middleswart, Chief Investment Manager of the Advisor, is responsible for the portfolio management of and investment research for the Funds.

Other Accounts Managed by Portfolio Manager

Mr. Middleswart did not manage any accounts other than the Funds as of February 9, 2010.

Potential Conflicts of Interest by Portfolio Manager

Where conflicts of interest arise between the Funds and other accounts managed by the Portfolio Manager, the Portfolio Manager will proceed in a manner that ensures that the Funds will not be treated materially less favorably. Currently, the Portfolio Manager does not manage any accounts other than the Funds.

Compensation of Portfolio Manager

The Portfolio Manager of the Funds is paid a fee based on the average balance within each Fund and is not based on Fund performance.

Ownership of Fund Shares by Portfolio Manager

As of February 9, 2010, the Portfolio Manager did not own any securities of the Funds.

The date of this Prospectus and SAI Supplement is February 17, 2010.



Prospectus

July 30, 2009

Generation Wave Growth Fund (GWGFX) Vice Fund (VICEX)

Investment Advisor

Phone: 1-866-264-8783
Web: www.USAMutuals.com

Mutuals Advisors, Inc.
Plaza of the Americas
700 North Pearl Street, Suite 900
Dallas, Texas 75201

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

SUMMARY SECTION	1
Generation Wave Growth Fund.....	1
Vice Fund	5
PRINCIPAL INVESTMENT STRATEGIES, RELATED RISKS AND DISCLOSURE OF PORTFOLIO HOLDINGS	9
Generation Wave Growth Fund.....	9
Vice Fund	10
General Investment Policies of the Funds	11
Principal Risks of Investing in the Funds.....	11
Disclosure of Portfolio Holdings Information.....	15
MANAGEMENT OF THE FUNDS.....	15
The Advisor	15
The Sub-Advisor.....	15
Portfolio Managers	16
SHAREHOLDER INFORMATION.....	16
Valuation of Fund Shares	16
Buying Shares.....	17
Selling Shares	19
Exchanging Shares	23
General Transaction Policies.....	23
DISTRIBUTION OF FUND SHARES	24
DISTRIBUTIONS AND TAXES.....	24
Distributions	24
Taxes.....	24
FINANCIAL HIGHLIGHTS.....	26
FOR MORE INFORMATION.....	29

Summary Section

Generation Wave Growth Fund

Investment Objective

The investment objective of the Fund is capital appreciation over the long term while at times providing a low level of current income.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(fees paid directly from your investment)

Redemption Fee <i>(as a percentage of amount redeemed, if applicable)</i>	1.00%
---	-------

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.95%
Other Expenses	0.96%
Acquired Fund Fees and Expenses ⁽¹⁾	0.35%
Total Annual Fund Operating Expenses	2.26%
Less: Fee Waiver/Expense Reimbursement	(0.51)%
Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement ⁽²⁾	1.75%

⁽¹⁾ Please note that the Total Annual Fund Operating Expenses in the table above do not correlate to the ratio of Expenses to Average Net Assets found within the “Financial Highlights” section of the prospectus.

⁽²⁾ Effective as of July 31, 2009, Mutual Advisors, Inc. (“MAI”) has contractually agreed to limit the Fund’s Total Annual Fund Operating Expenses to 1.75% of average net assets of the Fund through July 31, 2010, with such renewal terms of one year, each measured from the date of renewal, as may be approved by the Board of Trustees, unless either the Board of Trustees or MAI terminates the agreement prior to such renewal.

Example

The following Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% rate of return each year, that you reinvest all dividends and distributions, and that the Fund’s operating expenses remain the same each year. Although your actual costs may be higher or lower, based on these assumptions your costs for the Fund would be:

1 Year	3 Years	5 Years	10 Years
\$213	\$658	\$1,129	\$2,431

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 76.87% of the average value of its portfolio.

Principal Investment Strategies

To best achieve its investment objective, the Fund, a non-diversified investment company, invests primarily in equity securities (i.e. common stocks, preferred stocks and securities convertible into common stocks) of small, medium or large capitalization companies, both domestic and foreign, in different industry sectors. The Fund

may also invest in third-party investment companies, including exchange-traded funds (“ETFs”), open-end mutual funds, and other investment companies. In addition, the Fund may borrow money, a practice known as “leveraging”, to meet redemptions, for other emergency purposes or to increase its portfolio holdings.

The Fund may, to a more limited degree, also purchase fixed-income securities, options, and certain other securities. Additionally, the Fund may engage in short sales and certain derivatives strategies. However, when market conditions are unfavorable for profitable investing or when suitable investments are not otherwise available, the Fund may from time to time invest any amount in cash or high-quality short-term securities as a temporary defensive position.

It is anticipated that at any given time, the companies in which the Fund invests may fall anywhere on the spectrum of industries and sectors currently available focusing on the demographic, economic and lifestyle trends of any one or all of the Baby Boomer (persons born between 1946 and 1964), Generation X (persons born between 1965 and 1980), and Generation Y (persons born between 1980 and the late 1990s) populations. The Fund may, from time to time, have greater than 25%, but no more than 80%, of its net assets concentrated in one of these industries or sectors. While the Fund may concentrate its investments in one of these industries or sectors, it is likely that the particular industries or sectors most attractive to the Fund may, and likely will, change over time.

The Fund’s portfolio managers begin their investment process with a top-down, macroeconomic analysis of equities; the impact of demographics is an important element of this analysis. The portfolio managers’ individual security selection follows, and is based upon a careful evaluation of fundamentals and various valuation measures of companies operating within targeted industry groups. Sell decisions can be driven by larger, market-related concerns (e.g., the portfolio managers believe that the broader market is in a correcting phase) or by company-specific factors (e.g., the company’s fundamentals are not delivering as expected or all catalysts have materialized thus limiting further upside).

Principal Risks

The risks associated with an investment in the Fund can increase during times of significant market volatility. The principal risks of the Fund include:

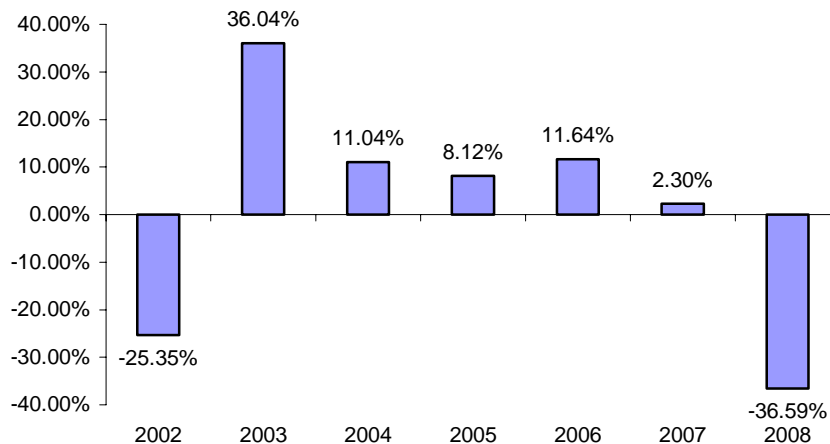
- the risk that you could lose all or portion of your investment in the Fund;
- the risk that certain stocks selected for the Fund’s portfolio may decline in value more than the overall stock market;
- the risk that investment strategies employed by MAI or GNI Capital, Inc. (“GNI”) in selecting investments for the Fund may not result in an increase in the value of your investment or in overall performance equal to other investments;
- the risk that asset allocation to a particular strategy does not reflect actual market movement or the effect of economic conditions;
- because the Fund is non-diversified (meaning that compared to diversified mutual funds, the Fund may invest a greater percentage of its assets in a particular issuer), its shares may be more susceptible to adverse changes in the value of a particular security than would be the shares of a diversified mutual fund;
- because the Fund may invest up to 80% of its net assets in one industry or sector, the Fund may be subject to the risks affecting that one sector or industry, including the risk that the securities of companies within that one sector or industry will underperform due to adverse economic conditions, regulatory or legislative changes or increased competition affecting the sector or industry, more than would a fund that invests in a wide variety of market sectors or industries;
- the risk of investing in small- to mid-capitalization companies whose performance can be more volatile and who face greater risk of business failure, which could increase the volatility of the Fund’s portfolio;
- the risk that the Fund may have difficulty selling small- to mid-capitalization securities during a down market due to lower liquidity;
- the risk of interest rate fluctuation in connection with investments in bonds or other fixed-income securities;
- the risk that an issuer of fixed-income securities will not make timely payments of principal and interest (credit risk);

- there is no assurance the U.S. Government will provide financial support on securities issued or guaranteed by the U.S. Government, its agencies and instrumentalities;
- the risk that political, social or economic instability in foreign developed and emerging markets may cause the value of the Fund's investments in foreign securities to decline;
- the risk that leveraging may exaggerate the effect on net asset value of any increase or decrease in the market value of the Fund's portfolio;
- the risk associated with bearing indirect fees and expenses charged by any underlying investment companies in which the Fund may invest in addition to its direct fees and expenses, as well as indirectly bearing the principal risks of those investment companies;
- risks related to investing in ETFs that do not apply to investments in conventional mutual funds, including that the market price of the ETF's shares may trade at a discount to their net asset value or that an active trading market for an ETF's shares may not develop or be maintained;
- currency-rate fluctuations due to political, social or economic instability may cause the value of the Fund's investments to decline;
- the risk of investing in a wide range of derivatives, including call and put options, futures and forward contracts, for hedging purposes as well as direct investment; and
- the risk of loss if the value of a security sold short increases prior to the scheduled delivery date, since the Fund must pay more for the security than it has received from the purchaser in the short sale.

Performance

The annual returns bar chart demonstrates the risks of investing in the Fund by showing changes in the Fund's performance through December 31, 2008. The Average Annual Total Returns table also demonstrates these risks by showing how the Fund's average annual returns compare with those of a broad measure of market performance. The information shown assumes reinvestment of dividends and distributions. Remember, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.

Generation Wave Growth Fund
Calendar Year Returns as of 12/31/08



The Fund's calendar year-to-date return as of June 30, 2009 was 5.48%. During the period shown in the bar chart, the best performance for a quarter was 19.12% (for the quarter ended June 30, 2003). The worst performance was -20.07% (for the quarter ended December 31, 2008).

Average Annual Total Returns
(For the periods ended December 31, 2008)

	One Year	Five Year	Since Inception on 6/21/2001
Generation Wave Growth Fund			
Return Before Taxes	-36.59%	-2.76%	-1.61%
Return After Taxes on Distributions ⁽¹⁾	-40.01%	-4.05%	-2.51%
Return After Taxes on Distributions and Sale of Fund Shares ⁽¹⁾⁽²⁾	-17.49%	-1.66%	-0.92%
S&P 500 Index	-37.00%	-2.19%	-2.30%

⁽¹⁾ After tax returns are calculated using the historical highest individual federal marginal income tax rates in effect and do not reflect the effect of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their shares through tax-deferred arrangements such as 401(k) plans or IRAs.

⁽²⁾ In certain cases, the figure representing "Return After Taxes on Distributions and Sale of Fund Shares" may be higher than the other return figures for the same period. A higher after tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor.

Investment Advisor and Sub-Advisor

Mutuals Advisors, Inc. ("MAI") is the Fund's investment advisor. GNI Capital, Inc. ("GNI") is the Fund's sub-advisor.

Portfolio Managers

Mr. Charles L. Norton, CFA, Principal of GNI, has managed the Fund since September 28, 2005. Mr. Allen R. Gillespie, CFA, Principal of GNI, has managed the Fund since July 31, 2006.

Purchase and Sale of Fund Shares

You may conduct transactions by mail (USA Mutuals, c/o U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, 3rd Floor, Milwaukee, WI 53201-0701), or by telephone at 1-866-264-8783. Redemptions by telephone are only permitted upon previously receiving appropriate authorization. Transactions will only occur on days the New York Stock Exchange is open. To purchase or redeem shares of the Fund, investors must submit their request in good order to the Fund by 4:00 p.m. Eastern time to receive the net assets value ("NAV") calculated on that day. "Good order" means your purchase request includes: the name of the Fund you are investing in; the dollar amount of shares to be purchased; a purchase application or investment stub; and a check payable to "USA Mutuals Funds." If a request in good order is received after 4:00 p.m. Eastern time, it will be processed the next business day. Investors who wish to purchase or redeem Fund shares through a financial intermediary should contact the financial intermediary directly for information relative to the purchase or sale of Fund shares. The minimum initial amount of investment in the Fund and exchanges into the Fund from another fund in the USA MUTUALS Trust is \$1,000 for retirement accounts and \$2,000 for other types of accounts. Subsequent investments in the Fund for all types of accounts may be made with a minimum investment of \$100.

Tax Information

The Fund's distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account. Such tax-deferred arrangements may be taxed later upon withdrawal of monies from those arrangements.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create conflicts of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your advisor or visit your financial intermediary's website for more information.

Vice Fund

Investment Objective

The Fund's investment objective is long-term growth of capital.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(fees paid directly from your investment)

Redemption Fee <i>(as a percentage of amount redeemed, if applicable)</i>	1.00%
---	-------

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.95%
Distribution (12b-1) Fees	0.25%
Other Expenses	
Dividends on Short Sales and Interest Expense	0.13%
Remainder of Other Expenses	0.54%
Total Annual Fund Operating Expenses	1.87%
Add: Expense Recovery by Advisor	0.01%
Total Annual Fund Operating Expenses After Expense Recovery by Advisor ⁽¹⁾	1.88%

⁽¹⁾ Effective as of July 31, 2009, Mutuals Advisors, Inc. ("MAI") has contractually agreed to limit the Fund's Total Annual Fund Operating Expenses (excluding dividends on short sales and interest expense) to 1.85% of average net assets of the Fund through July 31, 2010, with such renewal terms of one year, each measured from the date of renewal, as may be approved by the Board of Trustees, unless either the Board of Trustees or MAI terminates the agreement prior to such renewal.

Example

The following Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated. The Example also assumes that you redeem all of your shares at the end of those periods, and that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The Example also assumes that your dividends and distributions have been reinvested. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$188	\$582	\$1,001	\$2,169

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 26.67% of the average value of its portfolio.

Principal Investment Strategies

The Fund, a non-diversified investment company, invests primarily in equity securities (i.e., common stocks, preferred stocks and securities convertible into common stocks) of small, medium and large capitalization companies, which include U.S. issuers and foreign issuers, including those whose securities are traded in foreign jurisdictions as well as American Depositary Receipts ("ADRs").

Under normal market conditions, the Fund will invest at least 80% of its net assets in equity securities of companies that derive a significant portion of their revenues from alcoholic beverages, tobacco, gaming and

defense/aerospace. The Fund may, from time to time, have greater than 25%, but no more than 80%, of its net assets concentrated in one of these industries. While the Fund may concentrate its investments in one of these industries, it is likely that the particular industries or sectors most attractive to the Fund may, and likely will, change over time. Note, however, that when market conditions are unfavorable for profitable investing or when suitable investments are not otherwise available, the Fund may from time to time invest any amount in cash or high-quality short-term securities as a temporary defensive position.

The Fund will also participate in other strategies in an attempt to generate incremental returns, including short selling of securities and certain options strategies. Use of these strategies may vary depending upon market and other conditions, and may be limited by regulatory and other constraints to which the Fund is subject.

For cash management purposes, the Fund may hold up to 20% of its net assets in cash or similar short-term, high-quality debt securities. These short-term debt securities and money market instruments include commercial paper, certificates of deposit, bankers' acceptances, shares of money market mutual funds, U.S. Government securities and repurchase agreements.

Principal Risks

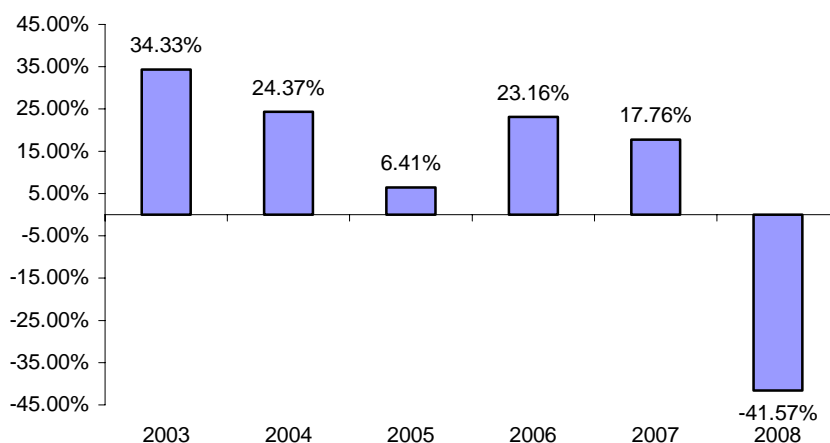
The risks associated with an investment in the Vice Fund can increase during times of significant market volatility. The principal risks of the Vice Fund include:

- the risk that you could lose all or portion of your investment in the Fund;
- the risk that certain stocks selected for the Fund's portfolio may decline in value more than the overall stock market;
- the risk that investment strategies employed by the adviser or sub-adviser in selecting investments for the Fund may not result in an increase in the value of your investment or in overall performance equal to other investments;
- the risk that asset allocation to a particular strategy does not reflect actual market movement or the effect of economic conditions;
- because the Fund is non-diversified (meaning that compared to diversified mutual funds, the Fund may invest a greater percentage of its assets in a particular issuer), its shares may be more susceptible to adverse changes in the value of a particular security than would be the shares of a diversified mutual fund;
- because the Fund may invest up to 80% of its net assets in one industry or sector, the Fund may be subject to the risks affecting that one sector or industry, including the risk that the securities of companies within that one sector or industry will underperform due to adverse economic conditions, regulatory or legislative changes or increased competition affecting the sector or industry, more than would a fund that invests in a wide variety of market sectors or industries;
- the risk of investing in small- to mid-capitalization companies whose performance can be more volatile and who face greater risk of business failure, which could increase the volatility of the Fund's portfolio;
- the risk that the Fund may have difficulty selling small- to mid-capitalization securities during a down market due to lower liquidity;
- the risk that political, social or economic instability in foreign developed markets may cause the value of the Fund's investments in foreign securities to decline;
- currency-rate fluctuations due to political, social or economic instability may cause the value of the Fund's investments to decline;
- the risk of investing in a wide range of derivatives, including call and put options, futures and forward contracts, for hedging purposes as well as direct investment; and
- the risk of loss if the value of a security sold short increases prior to the scheduled delivery date, since the Fund must pay more for the security than it has received from the purchaser in the short sale.

Performance

The annual returns bar chart demonstrates the risks of investing in the Vice Fund by showing changes in the Fund's performance through December 31, 2008. The Average Annual Total Returns table also demonstrates these risks by showing how the Fund's average annual returns compare with those of a broad measure of market performance. The information shown assumes reinvestment of dividends and distributions. Remember, the Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.

Vice Fund
Calendar Year Returns as of 12/31/08



The Fund's calendar year-to-date return as of June 30, 2009 was 1.36%. During the period shown in the bar chart, the best performance for a quarter was 21.72% (for the quarter ended June 30, 2003). The worst performance was -20.12% (for the quarter ended December 31, 2008).

Average Annual Total Returns

(For the periods ended December 31, 2008)

	One Year	Five Year	Since Inception on 08/30/2002
Vice Fund			
Return Before Taxes	-41.57%	2.32%	5.64%
Return After Taxes on Distributions ⁽¹⁾	-41.64%	2.09%	5.45%
Return After Taxes on Distributions and Sale of Fund Shares ⁽¹⁾⁽²⁾	-26.93%	2.06%	4.96%
S&P 500 Index	-37.00%	-2.19%	1.71%

⁽¹⁾ After tax returns are calculated using the historical highest individual federal marginal income tax rates in effect and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their shares through tax-deferred arrangements such as 401(k) plans or IRAs.

⁽²⁾ In certain cases, the figure representing "Return After Taxes on Distributions and Sale of Fund Shares" may be higher than the other return figures for the same period. A higher after tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor.

Investment Advisor and Sub-Advisor

Mutuals Advisors, Inc. ("MAI") is the Fund's investment advisor. GNI Capital, Inc. ("GNI") is the Fund's sub-advisor.

Portfolio Managers

Mr. Charles L. Norton, CFA, Principal of GNI, has managed the Vice Fund since September 28, 2005. Mr. Allen R. Gillespie, CFA, Principal of GNI has managed the Vice Fund since July 31, 2006.

Purchase and Sale of Fund Shares

You may conduct transactions by mail (USA Mutuals, c/o U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, 3rd Floor, Milwaukee, WI 53201-0701), or by telephone at 1-866-264-8783. Redemptions by telephone are only permitted upon previously receiving appropriate authorization. Transactions will only occur on days the New York Stock Exchange is open. To purchase or redeem shares of the Fund, investors must submit their request in good order to the Fund by 4:00 p.m. Eastern time to receive the net asset value (“NAV”) calculated on that day. “Good order” means your purchase request includes: the name of the Fund you are investing in; the dollar amount of shares to be purchased; a purchase application or investment stub; and a check payable to “USA Mutuals Funds.” If a request in good order is received after 4:00 p.m. Eastern time, it will be processed the next business day. Investors who wish to purchase or redeem Fund shares through a financial intermediary should contact the financial intermediary directly for information relative to the purchase or sale of Fund shares. The minimum initial amount of investment in the Fund and exchanges into the Fund from another fund in the USA MUTUALS Trust is \$1,000 for retirement accounts and \$2,000 for other types of accounts. Subsequent investments in the Fund for all types of accounts may be made with a minimum investment of \$100.

Tax Information

The Fund’s distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account. Such tax-deferred arrangements may be taxed later upon withdrawal of monies from those arrangements.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create conflicts of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your advisor or visit your financial intermediary’s website for more information.

Principal Investment Strategies, Related Risks and Disclosure of Portfolio Holdings

Generation Wave Growth Fund

Investment Objective

The investment objective of the Fund is capital appreciation over the long term while at times providing a low level of current income. This objective and the investment strategies described below are non-fundamental, which means that they may be changed by action of the Board of Trustees of the Trust (the “Board of Trustees”) without shareholder approval.

Principal Investment Strategies

To best achieve its investment objective, the Fund, a non-diversified investment company, invests primarily in equity securities (i.e. common stocks, preferred stocks and securities convertible into common stocks) of small, medium or large capitalization companies, both domestic and foreign, in different industry sectors. The Fund may also invest in third-party investment companies, including exchange-traded funds (“ETFs”), open-end mutual funds, and other investment companies. In addition, the Fund may borrow money, a practice known as “leveraging”, to meet redemptions, for other emergency purposes or to increase its portfolio holdings.

The Fund may, to a more limited degree, also purchase fixed-income securities, options, and certain other securities. Additionally, the Fund may engage in short sales and certain derivatives strategies. However, when market conditions are unfavorable for profitable investing or when suitable investments are not otherwise available, the Fund may from time to time invest any amount in cash or high-quality short-term securities as a temporary defensive position.

It is anticipated that at any given time, the companies in which the Fund invests may fall anywhere on the spectrum of industries and sectors currently available focusing on the demographic, economic and lifestyle trends of any one or all of the Baby Boomer (persons born between 1946 and 1964), Generation X (persons born between 1965 and 1980), and Generation Y (persons born between 1980 and the late 1990s) populations. The Fund may, from time to time, have greater than 25%, but no more than 80%, of its net assets concentrated in one of these industries or sectors. While the Fund may concentrate its investments in one of these industries or sectors, it is likely that the particular industries or sectors most attractive to the Fund may, and likely will, change over time.

The Generation Wave title of the Fund refers specifically to MAI’s and GNI’s belief in the unique demographic, economic and lifestyle trends of the various generational influences. Consequently, the Fund is designed to capitalize on the categories that GNI believes will most likely to benefit from the spending and other economic habits of generational communities. Entire industries, such as health care, financial services and technology, will be reshaped by the changing needs and spending habits of each generation. By investing in varying combinations of companies in these industries, GNI attempts to optimize growth over the long term while seeking to minimize risks, though there is no guarantee that such risks will be minimized.

GNI’s investment process for selecting the companies in which the Fund invests begins with a thorough, top-down analysis of the macro environment for equities in general and the major trends and themes developing within the sectors most influenced by generational factors. Following this macro analysis, GNI’s individual security selection is the result of a rigorous evaluation of a company’s fundamentals and various valuation measures of companies operating within targeted industry groups. Specifically, GNI seeks to identify companies that it believes will be positively impacted by the macro industry backdrop where there are future catalysts that could lead to a systemic change in a company’s business or in its valuation.

If appropriate, GNI will re-balance the Fund’s investments to meet the appropriate asset mix as determined by GNI’s investment process set forth above. Continually monitoring and re-balancing the Fund’s investments (if necessary) ensures that returns are maximized to avoid dependence on one area of the market. GNI will also regularly evaluate the macroeconomics of the categories for shifts that may necessitate a re-evaluation of the entire allocation process. GNI will sell a security when appropriate and consistent with the Fund’s investment objective and policies, regardless of the effect on the Fund’s portfolio turnover rate. Sell decisions can be driven by larger, market-related concerns (e.g., the portfolio managers believe that the broader market is in a

correcting phase) or by company-specific factors (e.g., the company's fundamentals are not delivering as expected or all catalysts have materialized thus limiting further upside).

Buying and selling securities generally involves some expense to the Fund, such as broker commissions and other transaction costs. An increase in the portfolio turnover rate involves correspondingly greater transactions costs and increases the potential for short-term capital gains and taxes.

Who May Want to Invest

The Fund is designed to pursue maximum capital appreciation with the assumption of an above-average level of risk. Accordingly, it is appropriate for the long-term (seven years or longer time horizon) mutual fund investor seeking maximum capital appreciation with the assumption of an above-average level of market risk.

Vice Fund

Investment Objective

The investment objective of the Fund is long-term growth of capital. This objective and the investment strategies described below are non-fundamental, which means that they may be changed by action of the Board of Trustees without shareholder approval.

Principal Investment Strategies

To achieve its investment objective, the Fund, a non-diversified investment company, invests primarily in equity securities (i.e., common stocks, preferred stocks and securities convertible into common stocks) of small, medium and large capitalization companies, which include U.S. issuers and foreign issuers, including those whose securities are traded in foreign jurisdictions as well as those whose securities are traded in the United States as American Depositary Receipts ("ADRs").

Portfolio companies chosen for investment by the Fund are selected from a universe of companies that derive a significant portion of their revenues from the tobacco, gaming, defense/aerospace, and alcoholic beverages industries. For purposes of this selection process, the term "significant portion" means that approximately 25% or more of a portfolio company's revenues are derived from the tobacco, gaming, defense/aerospace, and/or alcoholic beverages industries.

Companies within this universe, using the aforementioned criteria, are then further analyzed in order to determine their potential for capital appreciation. This process begins with a top-down analysis of each industry's macroeconomic climate and ends with a thorough examination of company fundamentals, including factors such as valuation, sales and earnings growth, profitability, indebtedness and competitive position.

The Fund may sell a company's security when it appears that the company is no longer able to achieve the results generally expected due to either a company specific issue, such as a loss of a key customer, or a change in industry dynamics. GNI will sell a security when appropriate and consistent with the Fund's investment objective and policies, regardless of the effect on the Fund's portfolio turnover rate. Buying and selling securities generally involves some expense to the Fund, such as broker commissions and other transaction costs. An increase in the portfolio turnover rate involves correspondingly greater transactions costs and increases the potential for short-term capital gains and taxes.

Under normal market conditions, the Fund will invest at least 80% of its net assets in equity securities of companies that derive a significant portion of their revenues from the alcoholic beverages, tobacco, gaming and defense/aerospace industries. The Fund may, from time to time, have greater than 25%, but no more than 80%, of its net assets concentrated in one of these industries. While the Fund may concentrate its investments in one of these industries, it is likely that the particular industries or sectors most attractive to the Fund may, and likely will, change over time. Note, however, that when market conditions are unfavorable for profitable investing or when suitable investments are not otherwise available, the Fund may from time to time invest any amount in cash or high-quality short-term securities as a temporary defensive position.

The Fund will also participate in other strategies in an attempt to generate incremental returns, including short selling of securities and certain options strategies. Use of these strategies may vary depending upon market and other conditions, and may be limited by regulatory and other constraints to which the Fund is subject.

For cash management purposes, the Fund may hold up to 20% of its net assets in cash or similar short-term, high-quality debt securities. These short-term debt securities and money market instruments include commercial paper, certificates of deposit, bankers' acceptances, shares of money market mutual funds, U.S. Government securities and repurchase agreements. These investments represent the assets that remain after GNI has committed available assets to desirable investment opportunities.

Who May Want to Invest in the Fund

The Fund may be appropriate for investors who are looking for an equity component to complete their portfolio, are willing to assume the risk of investing in equity securities and seek capital appreciation on investments in equity securities. The Fund is not appropriate for investors that have short-term financial goals.

General Investment Policies of the Funds

Temporary Defensive Positions or Cash Investments. Under normal market conditions, the Funds will stay fully invested according to their principal investment strategies as noted above. Each Fund, however, may temporarily depart from its principal investment strategies by making short-term investments in cash, cash equivalents, and high-quality, short-term debt securities and money market instruments for temporary defensive purposes in response to adverse market, economic or political conditions. This may result in a Fund not achieving its investment objective during that period.

For longer periods of time, a Fund may hold a substantial cash position. If the market advances during periods when a Fund is holding a large cash position, the Fund may not participate to the extent it would have if the Fund had been more fully invested. To the extent that a Fund uses a money market fund for its cash position, there will be some duplication of expenses because the Fund would bear its pro rata portion of such money market fund's advisory fees and operational expenses.

Changes to Investment Objectives and Strategies. The Funds' investment objectives, investment strategies and policies stated above are not fundamental and may be changed by sole action of the Board of Trustees without shareholder approval. The Vice Fund will not change its name or policy of investing least 80% of its net assets in equity securities of companies that derive a significant portion of their revenues from the alcoholic beverages, tobacco, gaming and defense/aerospace industries without providing shareholders with at least 60 days' prior written notice.

Principal Risks of Investing in the Funds

Before investing in the Funds, you should carefully consider your own investment goals, the amount of time you are willing to leave your money invested and the amount of risk you are willing to take. Remember, in addition to possibly not achieving your investment goals, you could lose money by investing in the Funds. Except as otherwise noted, the following risks apply to each of the Funds:

- *Stock Market Risks.* The Funds invest in equity securities. Stock market prices of securities may be adversely affected by many factors, such as an issuer's having experienced losses or by the lack of earnings or by the issuer's failure to meet the market's expectations with respect to new products or services, or even by factors wholly unrelated to the value or condition of the issuer. If the stock market declines in value, shares of the Funds are likely to decline in value. Furthermore, a Fund's focus on certain types of stocks (such as small or large capitalization) and style of investing (such as value or growth) subjects it to the risk that its performance may be lower than that of other types of equity funds that focus on other types of stocks or that have a broader investment style (such as the general market).
- *Recent Market Events.* U.S. and international markets have experienced significant volatility since 2008. The fixed income markets have experienced substantially lower valuations, reduced liquidity, price volatility, credit downgrades, increased likelihood of default and valuation difficulties. Concerns have spread to domestic and international equity markets. In some cases, the stock prices of individual companies have been negatively impacted even though there may be little or no apparent degradation in the financial conditions or prospects of that company. As a result of this significant volatility, many of the risks discussed herein associated with an investment in a Fund may be increased. The U.S. government has taken numerous steps to alleviate these market concerns. However, there is no assurance that such actions will be successful. Continuing market problems may have adverse effects on the Funds.

- *Management Risks.* Judgments about the attractiveness, value and potential appreciation of particular stocks may prove to be incorrect and may not anticipate actual market movements or the impact of economic conditions generally. In fact, no matter how well market conditions are evaluated, the investments held by the Funds may fail to produce the intended result, and you could lose money on your investment in the Funds.
- *Asset Allocation Risks.* The Funds emphasize on asset allocation strategies and the combining of investments in one or more industries or sectors. Furthermore, although the Funds have ranges of equity and fixed-income allocations, the types of equity or fixed-income funds used and in what proportion involve highly subjective judgments and the Funds have designed to reflect those judgments. As a consequence, a principal risk of the Funds involves the risk that those judgments may not anticipate actual market movements or the effect of economic conditions generally. In fact, no matter how well market conditions are evaluated, you could lose money on your investment in the Funds, just as you could with other investments.
- *Small and Medium Capitalization Risks.* To the extent that the Funds invest in the equity securities of companies with small and medium size capitalizations, the Funds are subject to certain risks. Companies with small and medium size capitalizations often have narrower markets, fewer products or services to offer and more limited managerial and financial resources than do larger, more established companies. As a result, their performance can be more volatile and they face a greater risk of business failure, which could increase the volatility and risk of loss of the Funds' assets.
- *Liquidity Risks.* The securities of many companies with small and medium size capitalizations may have less "float" (the number of shares that normally trade on a given day) and less interest in the market and therefore are subject to liquidity risk. Liquidity risk is the risk that certain securities may be difficult or impossible to sell at the time and price that a Fund would like to sell.
- *Non-Diversification Risks.* The Funds are "non-diversified" and therefore are not required to meet certain diversification requirements under federal securities laws. Each Fund may invest a greater percentage of its assets in the securities of a single issuer. However, a decline in the value of an investment in a single issuer could cause a Fund's overall value to decline to a greater degree than if the Fund held a more diversified portfolio.
- *Foreign Securities Risks.* The Funds may invest in foreign securities. Foreign securities may involve more risks than those associated with U.S. investments. The economies of foreign countries may differ from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, and resource self-sufficiency. Additional risks include currency fluctuations, political and economic instability, differences in financial reporting standards and less stringent regulation of securities markets.
- *Emerging Market Risks.* The Funds may invest in ADRs of emerging market-domiciled companies or ETFs representing exposure to various emerging markets. In addition to the risks of foreign securities in general, countries in emerging markets can have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries and securities markets that trade a small number of issues.
- *Currency Risks.* The risk that fluctuations in currency exchange rates will negatively affect securities denominated in, and/or receiving revenues in, foreign currencies. Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from the Funds investment in securities denominated in a foreign currency or may widen existing losses.
- *Derivatives Risk.* The Funds may invest in derivative securities, including call and put options, futures and forward contracts, for hedging purposes as well as direct investment. These are financial instruments that derive their performance from the performance of an underlying index or asset. Derivatives can be volatile and involve various types and degrees of risks, depending upon the characteristics of a particular derivative. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in a derivative could have a large potential impact on the performance of the Funds. The Funds could experience a loss if derivatives do not perform as anticipated, or are not correlated with the performance of other investments which they are used to hedge, or if the Funds are unable to liquidate a position because of an illiquid secondary market. Derivatives may also make each Fund's portfolio less liquid and difficult to value, especially in declining markets, and the counterparty may fail to honor contract terms.

- *Short Selling Risk.* Short sales involve selling a security that the Funds borrow and do not own. The Funds may sell securities short only on a fully collateralized basis, as permitted by SEC interpretations. At the time of a short sale, the Funds will establish and maintain a segregated account consisting of liquid assets equal in value to the purchase price due on the settlement date under the short sale period. The value of the liquid assets will be marked to market daily. The Funds may engage in short sales if GNI anticipates that the security's market purchase price will be less than its borrowing price. 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.
- *Sector/Industry Concentration Risks.* The Funds may invest up to 80% of their net assets in one industry or sector or they may invest their assets among a broad range of industries or sectors. To the extent that a Fund focuses on one or more sectors or industries, it may be subject to the risks affecting that sector or industry more than would a more broadly diversified fund. Furthermore, each industry or sector possesses particular risks that may not affect other industries or sectors, including the risk that the securities of companies within that one sector or industry will underperform due to adverse economic conditions, regulatory or legislative changes or increased competition affecting the sector or industry. The risks relating to specific sectors a Fund may invest in are set forth below:

Generation Wave Growth Fund:

- *Technology Sector Risks.* To the extent that the Generation Wave Growth Fund concentrates in the technology sector, it will be subject to the risks of that sector, including competitive pressures of technology companies from new market entrances and technological obsolescence, as well as increased research and development costs and potential for greater governmental regulation.
- *Health Sector Risks.* To the extent that the Generation Wave Growth Fund concentrates in the health care sector, it will be subject to similar risks of the technology sector, and additional risks including risks related to legislative and regulatory action, which may affect profitability of companies in that sector.
- *Financial Services Sector Risks.* To the extent that the Generation Wave Growth Fund concentrates in the financial services sector, it will be subject to the risks of the sector, including risks that the financial services sector may be adversely affected by changes in economic conditions and interest rates, as well as legislative initiatives, all of which may affect the profitability of companies in that sector.
- *Basic Industries Sector Risks.* To the extent that the Generation Wave Growth Fund concentrates in the basic industries sector, it will be subject to the risks of that sector. The basic industries sector includes companies involved with the discovery, development and processing of raw materials, including the mining and refining of metals, chemical producers and forestry products. Companies in the basic industries sector are subject to general risks posed by economic slow down or recession as well as market risk to the extent that investors prefer securities of issuers in other sectors perceived to offer greater opportunities for faster growth.

Vice Fund:

- *Tobacco and Alcoholic Beverages Industries Risks.* To the extent that the Vice Fund concentrates in the tobacco and alcoholic beverages industries, it will be subject to the risks of that industry. Companies in the tobacco and alcoholic beverages industries are subject to the risks related to frequent and expensive litigation and risks related to legislative and regulatory action, which may affect profitability of companies in these industries.
- *Defense, Aerospace and Gaming Industries Risks.* To the extent that the Vice Fund concentrates in the defense, aerospace or gaming industries, it will be subject to the risks of that industry. Companies in the defense, aerospace and gaming industries may be adversely affected by changes in economic conditions as well as legislative initiatives, all of which may affect the profitability of companies in those industries.
- *Bond Market Risks.* The Generation Wave Growth Fund may invest in bonds or other fixed-income securities as a principal investment strategy. The Vice Fund may also invest in bonds and other fixed-income securities, but only as a non-principal investment strategy. To the extent that a Fund invests in bonds or other fixed-income securities, the return on and value of an investment in the Fund will fluctuate

with changes in interest rates. Typically, when interest rates rise, the fixed-income security's market value declines (interest-rate risk). Conversely, when interest rates fall, the fixed-income security's market value increases. In general, the longer a fixed-income security's maturity, the higher its interest rate and the greater the risk of volatility (maturity risk). A fixed-income security's value can also be affected by changes in the security's credit quality rating or its issuer's financial condition (credit quality risk). Other factors may affect the market price and yield of fixed-income securities, including investor demand, changes in the financial condition of issuers of securities and domestic or worldwide economic conditions.

- *Credit Risks.* Individual issuers of fixed-income securities may be subject to the credit risk of the issuer. This means that the underlying company may experience unanticipated financial problems causing it to be unable to meet its payment obligations. Fixed-income securities receiving the lowest investment grade rating may have speculative characteristics, and, compared to higher-grade securities, may have a weakened capacity to make principal and interest payments in economic conditions or other circumstances. High yield, high risk and lower-rated securities, or "junk bonds," are subject to additional risk factors, such as increased possibility of default, decreased liquidity and fluctuations in value due to public perception of the issuer of such securities.
- *Government Obligations Risks.* The Generation Wave Growth Fund may invest in securities issued or guaranteed by the U.S. Government, its agencies and instrumentalities as a principal investment strategy. The Vice Fund may also invest in such securities, but only as a non-principal investment strategy. No assurance can be given that the U.S. Government will provide financial support to U.S. Government-sponsored agencies or instrumentalities where it is not obligated to do so by law.
- *Leverage Risks.* The Funds may borrow money to meet redemptions, for other emergency purposes, or to increase its portfolio holdings. Such borrowings may be on a secured or unsecured basis at fixed or variable interest rates. The 1940 Act requires the Funds to maintain continuous asset coverage of not less than 300% with respect to all borrowings. This allows a Fund to borrow for such purposes an amount (when taken together with any borrowings for temporary or emergency purposes as described below) equal to as much as 50% of the value of its net assets (not including such borrowings). If such asset coverage should decline to less than 300% due to market fluctuations or other reasons, a Fund may be required to dispose of some of its portfolio holdings within three days in order to reduce the Fund's debt and restore the 300% asset coverage, even though it may be disadvantageous from an investment standpoint to dispose of assets at that time.

Conversely, if the income from the assets retained with borrowed funds is not sufficient to cover the cost of borrowing, the net income of a Fund will be less than if borrowing were not used, and, therefore, the amount available for distribution to shareholders as dividends will be reduced. The Funds also may be required to maintain minimum average balances in connection with such borrowing or to pay a commitment or other fee to maintain a line of credit; either of these requirements would increase the cost of borrowing over the stated interest rate.

This practice, which is known as "leveraging," is speculative and involves certain risks. For example, leveraging may exaggerate the effect on NAV of any decrease in the market value of a Fund's portfolio. To the extent the income derived from securities purchased with borrowed funds exceeds the interest a Fund will have to pay, the Fund's net income will be greater than if borrowing were not used.

- *Layered Expense Risks (applies only to the Generation Wave Growth Fund).* The Fund may invest in other investment companies as an investment strategy. The Vice Fund may also invest in other investment companies, but only as a non-principal investment strategy. Your cost of investing in a Fund will generally be higher than the cost of investing directly in shares of the investment companies in which it invests. By investing in a Fund, you will indirectly bear fees and expenses charged by any underlying investment companies in which it invests in addition to its direct fees and expenses, as well as indirectly bearing the principal risks of those funds. Furthermore, the use of other investment companies in lieu of direct investments could affect the timing, amount and character of distributions to you and therefore may increase the amount of taxes that you pay.
- *Exchange Traded Funds Risks (applies to the Generation Wave Growth Fund only).* The Fund may purchase shares in an ETF. An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund (i.e., one that is not exchange traded) that has the same

investment objective, strategies and policies. The price of an ETF can fluctuate within a wide range, and the Fund could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs are subject to the following risks that do not apply to conventional mutual funds: (1) the market price of the ETF's shares may trade at a discount to their NAV; (2) an active trading market for an ETF's shares may not develop or be maintained; or (3) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Additionally, ETFs have management fees, which increase their cost.

Disclosure of Portfolio Holdings Information

A description of the Funds' policies and procedures with respect to the disclosure of their portfolio securities is available in the Funds' Statement of Additional Information ("SAI"). Currently, disclosure of the Funds' holdings is required to be made quarterly within 60 days of the end of each fiscal quarter in the Annual Report and Semi-Annual Report to Fund shareholders and in the quarterly holdings report on Form N-Q. The SAI and Form N-Q are available, free of charge, on the website of the Securities and Exchange Commission (the "SEC") at www.sec.gov. The SAI is also available by contacting the Funds c/o U.S. Bancorp Fund Services, LLC, at 1-866-264-8783 and on the Funds' website at www.usamutuals.com.

Management of the Funds

Under the laws of the State of Delaware, the Board of Trustees is responsible for managing the Trust's business and affairs. The Board of Trustees also oversees duties required by applicable state and federal law. The Trust has entered into an investment advisory agreement dated June 14, 2001 (the "Investment Advisory Agreement") with MAI, pursuant to which MAI manages the investment of the assets of the Funds, subject to the oversight and review of the Board of Trustees. MAI has entered into a subadvisory agreement with GNI dated May 30, 2009 (the "Subadvisory Agreement"), under which GNI serves as the Funds' portfolio manager and, subject to MAI's oversight and review, manages each Fund's portfolio assets.

A discussion regarding the Board of Trustees' basis for approving the Investment Advisory Agreement and Subadvisory Agreement is included in the Funds' annual report to shareholders dated March 31, 2009.

The Advisor

MAI, formerly known as "Mutuals.com, Inc.," is located at Plaza of the Americas, 700 North Pearl Street, Suite 900, Dallas, Texas 75201 and serves as the investment advisor to the Funds. MAI is wholly-owned by Mutual Capital Alliance, Inc. (formerly known as Mutuals.com Holdings Corp.). MAI is a SEC-registered investment advisor and as of June 30, 2009 had \$96 million in assets under management. Eric Lansky is the President and Treasurer of MAI.

MAI is entitled to an annual advisory fee of 0.95% of each Fund's average daily net assets. In addition, MAI has entered into an Expense Waiver and Reimbursement Agreement (the "Expense Agreement") in which it has agreed to limit expenses to 1.75% and 1.85% of average net assets of the Generation Wave Growth Fund and the Vice Fund, respectively. The Expense Agreement expires on July 31, 2010. Prior to July 31, 2009, MAI had contractually agreed to limit expenses to 1.50% and 1.75% of average net assets of the Generation Wave Growth Fund and the Vice Fund, respectively, through July 31, 2019. Under both the current and prior Expense Agreements, MAI may recapture waived or reimbursed expenses for a three-year period following such waiver or reimbursement under specified conditions. For the fiscal year ended March 31, 2009, MAI received fees, including fees previously reimbursed, of 0.54% and 0.96%, of the average daily net assets of the Generation Wave Growth Fund and Vice Fund, respectively, net of waivers. The Expense Agreement has the effect of lowering the overall expense ratio for the Funds and increasing the Funds' overall return to investors during the time any such amounts are waived and/or reimbursed.

The Sub-Advisor

GNI's principal place of business is located at 124 Verdae Blvd., Suite 504, Greenville, SC 29607. GNI also maintains an office located at 6860 Dallas Parkway, Suite 200, Plano, Texas 75024. Under the Subadvisory Agreement, GNI receives compensation from MAI for its subadvisory services to the Funds at the annual rate of

0.20% of each Fund's average daily net assets. GNI provides continuous advice and recommendations concerning the Funds' investments and is responsible for selecting the broker-dealers who execute the Funds' portfolio transactions. In executing such transactions, GNI seeks to obtain the best qualitative execution. In addition to providing investment advisory services to the Funds, GNI serves as investment advisor to individuals, corporations, charitable organizations, pooled investment vehicles, and pension and profit-sharing plans. As of June 30, 2009, and excluding assets attributable to the Funds, GNI had approximately \$65 million in assets under management.

Portfolio Managers

Mr. Charles L. Norton, CFA, has managed the Funds continuously since September 28, 2005. As of July 31, 2006, and subject to the oversight and review of MAI, Mr. Norton and Allen R. Gillespie, CFA, who are both executive officers of GNI, began serving as co-portfolio managers of the Funds.

Mr. Norton is a Principal of GNI, responsible for portfolio management and investment research for all of the company's managed assets. In addition, he is a regular contributor to multiple financial websites, is a frequent guest on national financial and business television programs, and is regularly cited in numerous financial publications. Previously, Mr. Norton had been a Vice President in the Equity Research Department of Gotham Capital Management, a New York-based investment adviser, where he also managed separate long/short equity accounts from 1998-1999. Prior to his experience on the buy side, Mr. Norton worked in the investment banking division of Smith Barney, where he was an analyst in the Health Care Group, reporting directly to the head of the group from 1996-1998. Mr. Norton has a Bachelor of Science in Management degree in Finance from Tulane University's A.B. Freeman School of Business, and is a CFA charterholder. He is a member of the CFA Institute and the CFA Society of Dallas-Fort Worth.

Mr. Gillespie is a Principal of GNI, responsible for portfolio management and investment research for all of the company's managed assets, and he also serves as a South Carolina Retirement System Investment Commissioner. In addition, Mr. Gillespie contributes commentary to a family of financial websites dedicated to the institutional investor. Previously, Mr. Gillespie was a registered representative at Robinson-Humphrey and Smith Barney from 1995 until 1997. In 1997, he began managing private client portfolios, and founded and managed the Blue Ridge Total Return Fund, which was sold to the Colonial Trust Company in 1999. In addition to his advisory work, Mr. Gillespie provided independent research to a New York-based hedge fund. Mr. Gillespie graduated cum laude from Washington & Lee University with a Bachelor of Arts degree in Economics, and he has been granted the Chartered Financial Analyst designation. He is a member of the CFA Institute and the New York Society of Security Analysts.

The SAI provides additional information about each portfolio manager's compensation, other accounts managed by the portfolio managers and each portfolio manager's ownership of securities in the Funds.

Shareholder Information

Valuation of Fund Shares

Shares of the Funds are sold on a continuous basis at NAV per share, which is determined by the Funds as of the close of regular trading (generally 4:00 p.m. Eastern time) on each day that the New York Stock Exchange ("NYSE") is open for unrestricted business. The NYSE is generally closed on national holidays. However, the NAV of the Funds may be calculated earlier if trading on the NYSE is restricted or as permitted by the SEC. Purchase and redemption requests are priced at the next NAV calculated after receipt of such requests. The NAV is determined by adding the value of a Fund's securities, cash and other assets, subtracting all expenses and liabilities of the Fund, and then dividing by the total number of shares of the Fund outstanding. The NAV takes into account the expenses and fees of a Fund, including management, administration and shareholder servicing fees, which are accrued daily. The Funds may invest in foreign securities. Since the exchanges on which such foreign securities trade may be open on days that the NYSE is not open, a Fund's NAV may change on days that Fund shareholders may be unable to purchase or redeem Fund shares.

The Funds' investments are valued according to market value. When a market quote is not readily available, the security's value is based on "fair value" as determined by MAI and/or GNI in good faith and in accordance with procedures approved by the Board of Trustees. When fair value pricing is employed, the prices of securities used by the Funds to calculate their NAV may differ from quoted or published prices for the same

securities. Due to the subjective and variable nature of fair value pricing, it is possible that the fair value determined for a particular security may be materially different from the value realized upon such security's sale. Therefore, if a shareholder purchases or redeems shares in a Fund at a time when it holds securities priced at a fair value, this may have the unintended effect of increasing or decreasing the number of shares received in a purchase or the value of the proceeds received upon a redemption.

Each security owned by a Fund that is listed on a securities exchange is valued at its last sale price on that exchange on the date as of which assets are valued. Where the security is listed on more than one exchange, the Funds will use the price of that exchange that the Funds generally consider to be the principal exchange on which the stock is traded. Securities listed on the NASDAQ Stock Market, Inc. ("NASDAQ") will be valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If there has been no sale on such exchange or on NASDAQ on such day, the security is valued at the closing bid price on such day. When market quotations are not readily available, any security or other asset is valued at its fair value as determined under procedures approved by the Board of Trustees. These fair value procedures will also be used to price a security when corporate events, events in the securities market and/or world events cause MAI and/or GNI to believe that a security's last sale price may not reflect its actual market value. The intended effect of using fair value pricing procedures is to ensure that the Funds' shares are accurately priced.

Buying Shares

Minimum Investments

The minimum initial amount of investment in a Fund is \$1,000 for retirement accounts and \$2,000 for all other accounts. Subsequent purchases of Fund shares may be made with a minimum investment amount of \$100. Shareholders will be given at least 30 days' notice of any change in the minimum amount of initial or subsequent investments.

Timing of Requests

Your share price will be the next NAV calculated after the Funds' transfer agent, U.S. Bancorp Fund Services, LLC (the "Transfer Agent"), receives your request in good order. All requests received in good order before 4:00 p.m. (Eastern time) will be processed on that same day. Requests received after 4:00 p.m. will receive the next business day's NAV. Purchase applications will not be processed on days the NYSE is closed.

When making a purchase request, make sure your request is in good order. "Good order" means your purchase request includes:

- *The name of the Fund you are investing in;*
- *The dollar amount of shares to be purchased;*
- *Purchase application or investment stub; and*
- *Check payable to "USA Mutuals Funds".*

Receipt of Orders

Shares may only be purchased on days the NYSE is open for business. The Funds may authorize one or more broker-dealers to accept on their behalf purchase and redemption orders that are in good order. In addition, these broker-dealers may designate other financial intermediaries to accept purchase and redemption orders on the Funds' behalf. Your order will not be accepted until the completed account application to purchase Fund shares ("Account Application") is received and accepted by the Transfer Agent.

All Account Applications are subject to acceptance by the Funds and are not binding until so accepted. The Funds reserve the right to reject any purchase order if, in their discretion, it is in the Funds' best interest to do so. For example, a purchase order may be refused if it appears so large that it would disrupt the management of the Funds. A service fee, currently \$25, will be deducted from a shareholder's account for any purchases that do not clear. The Funds and the Transfer Agent will not be responsible for any losses, liability, cost or expense resulting from rejecting any purchase order.

Methods of Buying

By mail



You may purchase shares of the Funds by contacting the Funds directly. To open an account, complete an Account Application and send it, together with your payment for the amount you wish to invest and the name of the Fund you are investing in, to the appropriate address below. Payment should be made in U.S. dollars by check drawn on a U.S. bank, savings and loan, or credit union, or sent by wire transfer. Checks should be made payable to "USA MUTUALS Funds." The Funds will not accept payment in cash or money orders. Cashier's checks in amounts less than \$10,000 will also not be accepted. To prevent check fraud, the Funds will not accept third party checks, U.S. Treasury checks, traveler's checks,

credit card checks or starter checks for the purchase of shares. The Funds are unable to accept post dated checks, post dated on-line bill pay checks or any conditional order or payment. To make additional investments once you have opened your account, write your account number on the check and send it together with the stub from the most recent confirmation statement received from the Transfer Agent to the appropriate address below. If your check or Automated Clearing House (“ACH”) payment is returned for any reason, your purchase will be canceled, and a \$25 fee will be assessed against your account by the Transfer Agent, and you may be responsible for any loss incurred by the Funds. Please visit www.usamutuals.com for more information about how to purchase shares of the Funds.

Regular Mail

USA Mutuals Funds
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

Overnight Delivery

USA Mutuals Funds
c/o U.S. Bancorp Fund Services, LLC
615 E. Michigan Street, Third Floor
Milwaukee, WI 53202

NOTE: The Funds do not consider the U.S. Postal Service or other independent delivery services to be their agents.

By telephone



To make additional investments by telephone, you must check the appropriate box on your Account Application authorizing telephone purchases. If you have given authorization for telephone transactions and your account has been open for at least 15 days, call the Transfer Agent toll free at 1-866-264-8783 and you will be allowed to move money from your bank account to your Fund account upon request. Only bank accounts held at U.S. institutions that are ACH members may be used for telephone transactions. For security reasons, requests by telephone will be recorded.

If you elect telephone privileges on the account application or in a letter to the Funds, you may be responsible for any fraudulent telephone orders as long as the Funds have taken reasonable precautions to verify your identity. In addition, once you place a telephone transaction request, it cannot be canceled or modified. During periods of significant economic or market change, telephone transactions may be difficult to complete. If you are unable to contact the Funds by telephone, you may also mail the request to the Funds at the address listed above under “- By mail.”

By wire



Prior to wiring any funds, you must notify the Transfer Agent of your intent to wire, and to verify the wiring instructions to ensure proper credit when the wire is received. Wired funds must be received prior to 4:00 p.m., Eastern time, to be eligible for same day pricing. The Funds are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions.

If you are establishing a new account by wire, contact the Transfer Agent by telephone to make arrangements with a service representative to submit your completed application via facsimile. The representative will contact you within 24 hours of receipt of the faxed application to provide you with an account number and wiring instructions. You should then instruct your bank to wire transfer the intended amount in federal funds to:

U.S. Bank, N.A.
777 E. Wisconsin Avenue
Milwaukee, WI 53202
ABA #: 075000022
Credit: U.S. Bancorp Fund Services, LLC
Account #: 112-952-137
Further Credit: USA MUTUALS, (the name of the Fund you are investing in)
(your name or the title on the account)
(your account #)

Through an Automatic Investment Plan



Once you open your account, you may purchase shares of the Funds through an Automatic Investment Plan (“AIP”). You can have money automatically transferred from your checking or savings account on a monthly basis. To be eligible for this plan, your bank must be a domestic institution that is an ACH member. The Funds may modify or terminate the AIP at any time without notice. The first AIP purchase will take place no earlier than 15 days after the Transfer Agent has received your request. We are unable to debit mutual fund or pass through accounts

Through the Internet



You may purchase subsequent shares through the Funds’ website at www.usamutuals.com. To make additional investments through the website, you must complete the “Telephone and Internet Options” box on your Account Application form and include a voided check or savings deposit slip. If you have given authorization for website transactions and your account has been open for at least 15 days, you may access the website and you will be allowed to purchase or exchange Fund shares upon request. Only bank accounts held at U.S. institutions that are ACH members may be used for website transactions.

Please remember that only purchases and exchanges of Fund shares are allowed on the website, and you cannot sell Fund shares through the website.

Through an authorized broker-dealer organization



You may purchase shares of the Funds through any broker-dealer organization that has been authorized by the Funds and has an agreement with the Funds’ distributor, Quasar Distributors, LLC (“Distributor”). These broker-dealers are further authorized to designate other intermediaries to receive purchase and redemption orders on the Funds’ behalf. A purchase order is deemed received by the Funds when an authorized broker-dealer, or, if applicable, a broker-dealer’s authorized designee, receives the request in good order. Please keep in mind that your broker-dealer may charge additional fees for its services.

Anti-Money Laundering Information

In compliance with the USA Patriot Act of 2001, please note that the Transfer Agent will verify certain information on your Account Application as part of the Funds’ Anti-Money Laundering Program. As requested on the Account Application, you should supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing only a P.O. Box will not be accepted. Please contact the Transfer Agent at 1-866-264-8783 if you need additional assistance when completing your Account Application.

If, through reasonable measures, the Transfer Agent is unable to verify the identity of a shareholder, the account will be rejected or the shareholder will not be allowed to perform a transaction on the account until such information allowing the Transfer Agent to verify the shareholder’s identity is received. The Funds may also reserve the right to close the account within five business days if clarifying information or documentation is not received. Any delay in processing your order will affect the purchase price you receive for your shares. The Trust, the Distributor and the Transfer Agent are not liable for fluctuations in NAV experienced as a result of such delays in processing.

Shares of the Funds have not been registered for sale outside of the United States. The Funds do not sell shares to any person residing in a country other than the United States of America, even if they are United States citizens or lawful permanent residents, except to investors with United States military APO or FPO addresses. Additionally, in their discretion, the Funds may refuse to allow someone to purchase shares based on suspicious, inappropriate or illegal activity, such as market timing (please see the section below entitled “Selling Shares – Market Timing Trading Policy” for additional information).

Selling Shares

Methods of Selling

By mail

Send your written redemption request to the Transfer Agent at the appropriate address below. Your request should be in good order and contain the name of the Fund you are selling, the name(s) on the account, your account number and the dollar amount or the number of shares to be redeemed. Be sure to have all shareholders sign the letter.



Additional documents are required for certain types of shareholders, such as corporations, partnerships, executors, trustees, administrators or guardians (i.e., corporate resolutions or trust documents indicating proper authorization). Please see the SAI for more information.

Regular Mail

USA Mutuals Funds
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

Overnight Delivery

USA Mutuals Funds
c/o U.S. Bancorp Fund Services, LLC
615 E. Michigan Street, Third Floor
Milwaukee, WI 53202

The Funds do not consider the U.S. Postal Service or other independent delivery services to be their agents. Therefore, deposit in the mail or with such services, or receipt at U.S. Bancorp Fund Services, LLC post office box, of purchase applications or redemption requests does not constitute receipt by the Transfer Agent.

The Transfer Agent may require a signature guarantee for certain redemption requests. A signature guarantee of each owner is required in the following situations:

- if ownership is changed on your account;
- when redemption proceeds are sent to any person, address or bank account not on record;
- written requests to wire redemption proceeds (if not previously authorized on the account);
- if a change of address request has been received by the Transfer Agent within the last 15 days;
- for all redemptions in excess of \$50,000 from any shareholder account; and
- when establishing or modifying certain services on an account.

In addition to the situations described above, the Funds and/or Transfer Agent reserve the right to require a signature guarantee in other instances based on the circumstances relative to the particular situation.

Signature guarantees will generally be accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations, as well as from participants in the New York Stock Exchange Medallion Signature Program and the Securities Transfer Agents Medallion Program (“STAMP”). A notary public is not an acceptable signature guarantor.

Shareholders who have an IRA or other retirement plan must indicate on their redemption request whether or not to withhold federal income tax. Redemption requests failing to indicate an election not to have tax withheld will generally be subject to 10% withholding.

By telephone



If you are authorized to perform telephone transactions (either through your account application form or by subsequent arrangement in writing with the Funds), you may redeem shares in any amount, but not less than \$100 and not more than \$50,000, by instructing the Funds by telephone at 1-866-264-8783. A signature guarantee may be required of all shareholders in order to qualify for or to change telephone redemption privileges.

Note: Neither the Funds nor their service providers will be liable for any loss or expense in acting upon instructions that are reasonably believed to be genuine. To confirm that all telephone instructions are genuine, the Funds will use reasonable procedures, such as requesting:

- that you correctly state the Fund account number;
- the name in which your account is registered;
- the Social Security or tax identification number under which the account is registered;
or
- the address of the account holder, as stated in the account application form.

Telephone trades must be received by or prior to market close. During periods of high market activity, shareholders may encounter higher than usual call wait times. Please allow sufficient time to ensure that you will be able to complete your telephone transaction prior to market close.

By wire



To redeem shares by wire, call the Funds at 1-866-264-8783 and specify the amount of money you wish to be wired. Your bank may charge a fee to receive wired funds. The Transfer Agent will charge a reasonable nominal fee for outgoing wires.

Through a broker-dealer organization



If you purchased your shares through a broker-dealer or other financial organization, your redemption order may be placed through the same organization. The organization is responsible for sending your redemption order to the Funds on a timely basis. Please keep in mind that your broker-dealer may charge additional fees for its services.

Payment of Redemption Proceeds to You

You may redeem the Funds' shares at a price equal to the NAV next determined after the Transfer Agent receives your redemption request in good order. Your redemption request cannot be processed on days the NYSE is closed. All requests received in good order by the Funds before the close of the regular trading session of the NYSE (generally 4:00 p.m., Eastern time) will usually be wired to the bank you indicate or mailed on the following day to the address of record. You may also have your redemption proceeds sent to your predetermined bank account by electronic funds transfer through the ACH network, provided your bank is a member. Proceeds will generally be credited to your account within two business days. There is no charge to have your payment sent via ACH. In all cases, proceeds will be sent within seven calendar days after the Funds receive your redemption request.

When making a redemption request, make sure your request is in good order. "Good order" means your letter of instruction includes:

- *The name of the Fund you are investing in;*
- *The dollar amount of shares to be redeemed;*
- *Signatures of all registered shareholders exactly as the shares are registered and a signature guarantee, when applicable; and*
- *The account number.*

If you purchase shares using a check and soon after request a redemption, the Funds will honor the redemption request, but will not mail the proceeds until your purchase check has cleared (usually within 12 days). Furthermore, there are certain times when you may be unable to sell Fund shares or receive proceeds.

Specifically, the Funds may suspend the right to redeem shares or postpone the date of payment upon redemption for more than three business days: (1) for any period during which the NYSE is closed (other than customary weekend or holiday closings) or trading on the NYSE is restricted; (2) for any period during which an emergency exists as a result of which disposal by a Fund of securities owned by it is not reasonably practicable or it is not reasonably practicable for a Fund fairly to determine the value of its net assets; or (3) for such other periods as the SEC may permit for the protection of the Funds' shareholders.

Redemption Fee

If you redeem shares of a Fund after holding them for less than 60 days, the Fund may charge you a fee of 1.00% of the value of the shares redeemed. This fee will be deducted from your redemption proceeds. This fee is paid to the Funds and is designed to offset brokerage commissions, market impact and other costs associated with short-term trading of the Funds. For purposes of whether the redemption fee applies, the shares that were held the longest will be redeemed first.

Although the Funds have the goal of applying this redemption fee to most redemptions of shares held for less than 60 days, the Funds may not always be able to track short-term trading effected through financial intermediaries in non-disclosed or omnibus accounts. While the Funds have entered into information sharing agreements with such financial intermediaries as described below under “- Market Timing Trading Policy” which contractually require such financial intermediaries to provide the Funds with information relating to their customers investing in the Funds through non-disclosed or omnibus accounts, the Funds cannot guarantee the accuracy of the information provided to them from financial intermediaries and may not always be able to track short-term trading effected through these financial intermediaries. In addition, because the Funds are to rely on information from the financial intermediary as to the applicable redemption fee, the Funds cannot ensure that the financial intermediary is always imposing such fee on the underlying shareholder in accordance with the Funds' policies. The Funds also reserve the right to waive the redemption fee, at the sole discretion of the Funds and MAI, in instances deemed by MAI not to be disadvantageous to the Funds or their shareholders and which do not indicate market timing strategies.

The Funds reserve the right to modify or eliminate the redemption fees or waivers at any time and will give shareholders 60 days' prior written notice of any material changes, unless otherwise provided by law. The redemption fee policy may be modified or amended in the future to reflect, among other factors, regulatory requirements mandated by the SEC.

Redemption-in-Kind

The Funds generally pay sale (redemption) proceeds in cash. However, under unusual conditions that make the payment of cash unwise (and for the protection of the Funds' remaining shareholders), the Funds reserve the right to make a “redemption-in-kind” (a payment in portfolio securities rather than cash) if the amount you are redeeming is in excess of the lesser of (i) \$250,000 or (ii) 1% of the applicable Fund's assets. In such cases, you may incur brokerage costs in converting these securities to cash.

Market Timing Trading Policy

Market timing is generally defined as the excessive short-term trading of mutual fund shares that may be harmful to the fund and its shareholders. The Board of Trustees has adopted policies and procedures that are designed to detect and deter abusive short term trading practices in the Funds (the “Market Timing Policy”). Short-term or excessive trading into and out of the Funds may harm performance by disrupting investment strategies and by increasing expenses. Accordingly, the Funds may decline to accept an application or may reject a purchase request, including an exchange, from an investor who, in MAI's sole discretion, has a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Funds, regardless of whether the transactions are subject to the redemption fee.

The risks of market timing cannot be eliminated. Depending on various factors (including the size of the Funds, the amount of assets the Funds typically maintain in cash or cash equivalents, and the dollar amount, number and frequency of trades), market timing may disrupt investment strategies, increase brokerage, administrative, and other expenses and impact the Funds' performance. The Funds are currently using several methods to detect and deter market timing. These methods include the use of broad authority to take discretionary action against market timers and against particular trades, selective monitoring of trade activity and the imposition of a 1.00% redemption fee on shares redeemed within 60 days of purchase.

Each of these methods involves judgments that are inherently subjective, although the Funds and their service providers seek to make judgments that are consistent with shareholder interests. Moreover, each of these methods involves some selectivity in their application. While the Funds seek to take action that will detect and deter market timing, the Funds cannot represent that market timing can be completely eliminated.

In particular, since the Funds receive purchase and sale orders through financial intermediaries that use group or omnibus accounts, the Funds cannot always detect short-term or excessive trading. However, the Funds will work with financial institutions as necessary to discourage shareholders from engaging in abusive trading practices and to impose restrictions on excessive trades. In this regard, the Funds have entered into information sharing agreements with financial intermediaries pursuant to which these intermediaries are required to provide to the Funds, at the Funds' request, certain information relating to their customers investing in the Funds through non-disclosed or omnibus accounts. The Funds will use this information to attempt to identify abusive trading practices. Financial intermediaries are contractually required to follow any instructions from the Funds to restrict or prohibit future purchases from shareholders that are found to have engaged in abusive trading in violation of the Funds' policies. However, the Funds cannot guarantee the accuracy of the information provided to them from financial intermediaries and cannot ensure that they will always be able to detect abusive trading practices that occur through non-disclosed and omnibus accounts. As a result, the Funds' ability to monitor and discourage abusive trading practices in omnibus accounts may be limited. However, MAI and the Transfer Agent will make every effort to apply these policies to all shares held by Fund investors, whether held through the Transfer Agent or through intermediaries. The Funds' Chief Compliance Officer monitors enforcement of the Funds' policies regarding market timing.

Exchanging Shares

Shareholders of record may exchange shares of a Fund for shares of any other fund in the USA MUTUALS Trust on any business day by contacting the Fund directly. This exchange privilege may be changed or canceled by the Funds at any time upon 60 days' written notice. Exchanges are generally made only between identically registered accounts unless a shareholder sends written instructions with a signature guarantee requesting otherwise. *A notary public cannot guarantee signatures.* A minimum investment amount of \$2,000 is required when exchanging into either an existing account or a newly established account. An exchange from one Fund to another is treated the same as an ordinary sale and purchase for federal income tax purposes and you will realize a capital gain or loss. This is not a tax-free exchange. An exchange request received by a Fund prior to market close will be made at that day's closing NAV. In order to exercise the exchange privilege over the telephone, shareholders need to select this option on their shareholder application.

Exchange requests may be subject to limitations under the Market Timing Policy to ensure that the exchanges do not disadvantage the Funds or their shareholders. If you exchange your shares in a Fund for shares in any other fund in the USA MUTUALS Trust, you may be subject to the redemption fees described above under “-Redemption Fee.”

General Transaction Policies

Some of the following policies are mentioned above. In general, the Funds reserve the right to:

- vary or waive any minimum investment requirement;
- refuse, change, discontinue or temporarily suspend account services, including purchase, exchange or telephone redemption privileges, for any reason;
- reject any purchase or exchange request for any reason (generally, the Funds do this if the purchase or exchange is disruptive to the efficient management of the Funds due to the timing of the investment or an investor's history of excessive trading);
- redeem all shares in your account if your balance falls below the Funds' minimum initial investment requirement (if, within 30 days of the Funds' written request, you have not increased your account balance, you may be required to redeem your shares; however, the Funds will not require you to redeem shares if the value of your account drops below the investment minimum due to fluctuations of NAV);
- delay paying redemption proceeds for up to seven days after receiving a request, if an earlier payment could adversely affect a Fund; and
- reject any purchase or redemption request that does not contain all required documentation.

Your broker-dealer or other financial organization may establish policies that differ from those of the Funds. For example, the organization may charge transaction fees, set higher minimum investments, or impose certain limitations on buying or selling shares in addition to those identified in this Prospectus. Contact your broker-dealer or other financial organization for details.

Distribution of Fund Shares

The Distributor

Quasar Distributors, LLC is located at 615 East Michigan Street, Milwaukee, Wisconsin 53202, and serves as distributor and principal underwriter to the Funds. The Distributor is a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. Shares of the Funds are offered on a continuous basis.

Rule 12b-1 Plan

The Vice Fund has adopted a Rule 12b-1 Plan under the Investment Company Act of 1940, as amended. Under the Rule 12b-1 Plan, the Distributor is paid an annual fee of 0.25% of the average daily net asset value of the Vice Fund. The fee is used to finance activities that promote the sale of shares of the Vice Fund. Such activities include, but are not necessarily limited to, advertising, marketing, printing and mailing prospectuses to persons other than current shareholders, printing and mailing sales literature, and compensating underwriters, dealers and sales personnel. The 12b-1 Plan has the effect of increasing the expenses of the Vice Fund from what they would otherwise be. The Generation Wave Growth Fund is not subject to a Rule 12b-1 Plan or annual fee.

Distributions and Taxes

Distributions

The Funds are designed to pay shareholders distributions from the Funds' investment company taxable income and from any net capital gains the Funds have realized. Shares will be eligible to receive distributions and will begin earning the right to distributions on the day after which the Funds receive payment and shares are issued. The Funds make distributions semi-annually. If such day falls on a weekend or holiday on which the NYSE is closed, the distribution will be made on the next succeeding business day. All of your distributions with respect to the Funds, however, will be reinvested in additional shares of the Funds unless you provide us with a written request to receive your payments in cash. If you elect to receive distributions in cash and the U.S. Postal Service cannot deliver your checks or if your checks remain uncashed for six months, your distributions may be reinvested in your account at the then current NAV. All future distributions will automatically be reinvested in shares of the Funds. No interest will accrue on amounts represented by uncashed distribution checks. Distributions paid in cash or additional shares are treated the same for tax purposes. Capital gains, if any, are distributed at least once a year.

Taxes

Distributions of the Funds' net investment income, (which include, but are not limited to, interest, dividends, net short-term capital gains, and net gains from foreign currency transactions), if any, are generally taxable to the Funds' shareholders as ordinary income. To the extent that the Funds' ordinary income distributions consist of "qualified dividend" income, such income may be subject to tax at the reduced rate of tax applicable to non-corporate shareholders for net long-term capital gains, if certain holding period requirements have been satisfied by the Funds and their shareholders.

Distributions of net capital gains (net long-term capital gains less net short-term capital losses) are generally taxable as long-term capital gains regardless of the length of time a shareholder has owned Fund shares.

You will be taxed in the same manner whether you receive your distributions (whether of net investment income or net capital gains) in cash or reinvest them in additional Fund shares.

Shareholders who sell, exchange or redeem shares generally will have a capital gain or loss from the sale, exchange or redemption. The amount of the gain or loss and the applicable rate of tax will depend generally upon the amount paid for the shares, the amount received from the sale or redemption, and how long the shares were held by a shareholder.

Shareholders will be advised annually as to the federal tax status of all distributions made by the Funds for the preceding year. Distributions by the Funds may also be subject to state and local taxes. Additional tax information may be found in the SAI.

This section is not intended to be a full discussion of tax laws and the effect of such laws on you. There may be other federal, state, foreign, or local tax considerations applicable to a particular investor. You are urged to consult your own tax advisor.

Financial Highlights

The financial highlights tables below are based on the financial history of the Funds and are intended to help you understand the financial performance of the Funds for the past five years. Certain information reflects the financial results for a single Fund share. The total returns in the tables represent the rate that an investor would have earned (or lost) on an investment in the Funds (assuming reinvestment of all dividends and distributions). The information for the year ended March 31, 2009 has been audited by the Funds' independent registered public accounting firm, Cohen Fund Audit Services, Ltd., whose report, along with the financial statements of the Funds, is included in the Funds' Annual Report. Information for previous years shown in the tables was audited by Tait, Weller & Baker LLP. Please call 1-866-264-8783 for a free copy of the Annual Report.

Generation Wave Growth Fund Financial Highlights

(Per Share Data for a Share Outstanding Throughout Each Year)

	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005
Net Asset Value, Beginning of Year	<u>\$9.88</u>	<u>\$12.74</u>	<u>\$12.72</u>	<u>\$10.80</u>	<u>\$10.40</u>
Income (loss) from investment operations:					
Net investment income ⁽¹⁾	0.04 ⁽²⁾	0.10	0.14 ⁽²⁾	0.03	0.03
Net realized and unrealized gain (loss) on investments	<u>(3.28)</u>	<u>(0.88)</u>	<u>0.70</u>	<u>1.92</u>	<u>0.37</u>
Total from investment operations	<u>(3.24)</u>	<u>(0.78)</u>	<u>0.84</u>	<u>1.95</u>	<u>0.40</u>
Less distributions paid:					
From net investment income	---	(0.19)	(0.18)	(0.03)	---
From net realized gain on investments	<u>(1.38)</u>	<u>(1.89)</u>	<u>(0.64)</u>	<u>-</u>	<u>-</u>
Total distributions paid	<u>(1.38)</u>	<u>(2.08)</u>	<u>(0.82)</u>	<u>(0.03)</u>	<u>-</u>
Net Asset Value, End of Year	<u>\$5.26</u>	<u>\$9.88</u>	<u>\$12.74</u>	<u>\$12.72</u>	<u>\$10.80</u>
Total Return	(33.33%)	(7.39%)	6.67%	18.13%	3.85%
Supplemental Data and Ratios:					
Net assets at end of year (000's)	\$19,167	\$36,483	\$49,531	\$56,013	\$31,446
Ratio of expenses to average net assets ⁽³⁾⁽⁴⁾	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment income (loss) to average net assets ⁽³⁾⁽⁴⁾	0.52%	0.69%	0.99%	0.30%	0.26%
Portfolio turnover rate	76.87%	67.29%	53.00%	6.60%	39.78%

⁽¹⁾ Recognition of investment income by the Fund is affected by the timing of the declaration of the dividends by the underlying investment companies in which the Fund invests.

⁽²⁾ Per share net investment income was calculated prior to tax adjustments.

⁽³⁾ Net of waivers and reimbursement of expenses by MAI. Without waivers and reimbursement of expenses, the ratio of expenses to average net assets would have been 1.91%, 1.58%, 1.61%, 1.77% and 1.90%, and the ratio of net investment income (loss) to average net assets would have been 0.12%, 0.61%, 0.88%, 0.03% and (0.14%) for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, and March 31, 2005, respectively.

⁽⁴⁾ Does not include expenses of investment companies in which the Fund invests.

Vice Fund
Financial Highlights
(Per Share Data for a Share Outstanding Throughout each Year)

	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005
Net Asset Value, Beginning of Year	<u>\$20.57</u>	<u>\$20.37</u>	<u>\$18.08</u>	<u>\$15.42</u>	<u>\$13.34</u>
Income (loss) from investment operations:					
Net investment income	0.29 ⁽²⁾	0.03	0.06 ⁽²⁾	-	-
Net realized and unrealized gain (loss) on investments	<u>(9.09)</u>	<u>0.94</u>	<u>2.48</u>	<u>2.87</u>	<u>2.12</u>
Total from investment operations	<u>(8.80)</u>	<u>0.97</u>	<u>2.54</u>	<u>2.87</u>	<u>2.12</u>
Less distributions:					
Dividends from net investment income	<u>(0.03)</u>	<u>(0.04)</u>	<u>(0.04)</u>	-	-
From net realized gain on investments	<u>(0.07)</u>	<u>(0.74)</u>	<u>(0.21)</u>	<u>(0.24)</u>	<u>(0.06)</u>
Total distributions	<u>(0.10)</u>	<u>(0.78)</u>	<u>(0.25)</u>	<u>(0.24)</u>	<u>(0.06)</u>
Paid-in capital from redemption fees	<u>-----⁽³⁾</u>	<u>0.01</u>	<u>-----⁽³⁾</u>	<u>0.03</u>	<u>0.02</u>
Net Asset Value, End of Year	<u>\$11.67</u>	<u>\$20.57</u>	<u>\$20.37</u>	<u>\$18.08</u>	<u>\$15.42</u>
Total Return	(42.83)%	4.44%	14.10%	18.98%	16.05%
Supplemental Data and Ratios:					
Net assets at end of period (000's)	\$70,986	\$180,580	\$103,025	\$50,531	\$31,483
Ratio of expenses to average net assets:					
Before waiver and expense reimbursement	1.87% ⁽¹⁾	1.69% ⁽¹⁾	1.93% ⁽¹⁾	2.20%	2.67%
After waiver and expense reimbursement	1.88% ⁽¹⁾	1.85% ⁽¹⁾	1.78% ⁽¹⁾	1.75%	1.75%
Ratio of net investment income (loss) to average net assets:					
Before waiver and expense reimbursement	1.42% ⁽⁴⁾	0.28% ⁽⁴⁾	0.27% ⁽⁴⁾	(0.46)%	(0.93)%
After waiver and expense reimbursement	1.43% ⁽⁴⁾	0.12% ⁽⁴⁾	0.42% ⁽⁴⁾	(0.01)%	(0.01)%
Portfolio turnover rate	26.67%	36.40%	44.44%	67.29%	15.01%

⁽¹⁾ The ratio of expenses to average net assets includes dividends on short positions. The before waiver and expense reimbursement and after waiver and expense reimbursement ratios excluding dividends on short positions were 1.74% and 1.75% for the year ended March 31, 2009, 1.58% and 1.75% for the year ended March 31, 2008 and 1.90% and 1.75% for the year ended March 31, 2007.

⁽²⁾ Per share net investment income was calculated prior to tax adjustments.

⁽³⁾ Less than one cent per share.

⁽⁴⁾ The net investment income ratios include dividends on short positions.

Investment Advisor

Mutuals Advisors, Inc.
Plaza of the Americas
700 North Pearl Street
Suite 900
Dallas, Texas 75201

Investment Sub-Advisor

GNI Capital, Inc.
124 Verdae Blvd., Suite 504
Greenville, South Carolina 29607

Independent Registered Public Accounting Firm

Cohen Fund Audit Services, Ltd.
800 Westpoint Parkway, Suite 1100
Westlake, Ohio 44145

Legal Counsel

Godfrey & Kahn, S.C.
780 North Water Street
Milwaukee, Wisconsin 53202

Custodian

U.S. Bank, N.A.
Custody Operations
1555 N. River Center Drive, Suite 302
Milwaukee, Wisconsin 53212

Transfer Agent, Fund Accountant and Fund Administrator

U.S. Bancorp Fund Services, LLC
615 East Michigan Street
Milwaukee, Wisconsin 53202

Distributor

Quasar Distributors, LLC
615 East Michigan Street
Milwaukee, Wisconsin 53202

For More Information

You can find more information about the Funds in the following documents:

Statement of Additional Information

The SAI provides additional details about the investments and techniques of the Funds and certain other additional information. A current SAI is on file with the SEC and is incorporated into this prospectus by reference. This means that the SAI is legally considered a part of this prospectus even though it is not physically within this prospectus.

Annual and Semi-Annual Reports

The Funds' annual and semi-annual reports provide the most recent financial reports and portfolio listings. The annual report contains a discussion of the market conditions and investment strategies that affected the Funds' performance during the Funds' last fiscal year.

You can obtain a free copy of the SAI and Annual and Semi-Annual Reports, request other information, or make general inquiries about the Funds on the Funds' website at <http://www.usamutuals.com>, by calling the Funds (toll-free) at 1-866-264-8783, or by writing to:

USA Mutuals Funds
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, WI 53201-0701

You may write to the SEC Public Reference Room at the regular mailing address or the e-mail address below and ask them to mail you information about the Funds, including the SAI. They will charge you a fee for this duplicating service. You can also visit the SEC Public Reference Room and review and copy documents while you are there. For more information about the operation of the Public Reference Room, call the SEC at the telephone number below.

Public Reference Section
Securities and Exchange Commission
Washington, D.C. 20549-1520
publicinfo@sec.gov
1-202-551-8090

Reports and other information about the Funds are also available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>.

1940 Act File No. 811-10319