



## Prospectus

December 7, 2011

Vice Fund  
Class A Shares (VICAX)  
Class C Shares (VICCX)

### **Investment Advisor**

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Neither the Securities and Exchange Commission (the "SEC") 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.

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This prospectus applies to Class A and Class C shares of the Vice Fund (the “Fund”). The Fund also has an Investor Share class, which is currently offered for purchase in a separate prospectus.

## Summary Section

### 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. You may qualify for sales charge discounts on Class A shares if you or your family invest, or agree to invest in the future, at least \$50,000 in the Fund. More information about these and other discounts is available from your financial professional and under "Shareholder Information – Choosing a Share Class – Class A Shares" on page 9 of the Fund's Prospectus.

	<b>Class A Shares</b>	<b>Class C Shares</b>
<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )		
Maximum Front-End Sales Charge (Load) Imposed on Purchases ( <i>as a percentage of the offering price</i> )	5.75%	None
Maximum Contingent Deferred Sales Charge (Load) ( <i>as a percentage of the shares redeemed within 12 months of purchase</i> ) <sup>(1)</sup>	None	1.00%
Maximum Contingent Deferred Sales Charge (Load) ( <i>as a percentage of purchases of \$1,000,00 or more that are redeemed within 18 months of purchase</i> ) <sup>(1)</sup>	1.00%	None
Redemption Fee ( <i>as a percentage of amount redeemed on shares held 60 days or less</i> )	1.00%	1.00%
<b>Annual Fund Operating Expenses</b>		
<i>(expenses that you pay each year as a percentage of the value of your investment)</i>		
Management Fees	0.95%	0.95%
Distribution (12b-1) Fees <sup>(2)</sup>	0.25%	1.00%
Other Expenses <sup>(3)</sup>	<u>0.39%</u>	<u>0.39%</u>
<b>Total Annual Fund Operating Expenses</b> <sup>(4)</sup>	<u><b>1.59%</b></u>	<u><b>2.34%</b></u>

<sup>(1)</sup> The contingent deferred sales charge ("CDSC") is based on the net asset value ("NAV") of the shares at the time of purchase.

<sup>(2)</sup> The Fund has adopted a distribution plan pursuant to Rule 12b-1 (the "Rule 12b-1 Plan") under the Investment Company Act of 1940, as amended (the "1940 Act"). Under the Rule 12b-1 Plan, the Fund may pay an annual Rule 12b-1 distribution fee of up to 0.50% for Class A shares. As of the date of this prospectus, the Fund's Board of Trustees (the "Board of Trustees") has authorized a Rule 12b-1 distribution fee of only 0.25% for Class A shares.

<sup>(3)</sup> Other expenses is based on expenses incurred during the Fund's most recent fiscal year end and is restated to reflect new service provider fee rates effective September 1, 2011 and other estimated class-specific fees and expenses.

<sup>(4)</sup> Mutual Advisors, Inc. ("MAI" or "Adviser"), the Fund's investment adviser, has contractually agreed to limit the Fund's total annual fund operating expenses (exclusive of taxes, interest and dividends on short positions, brokerage, acquired fund fees and expenses and extraordinary expenses) to 1.85% and 2.60% of average net assets of the Fund for Class A shares and Class C shares, respectively, through December 7, 2012, 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. The fee waiver/expense reimbursement arrangement discussed in the table above is reflected only through December 7, 2012. Although your actual costs may be higher or lower, based on these assumptions your costs for the Fund would be:

<b>Class A Shares</b>			
<b><u>1 Year</u></b>	<b><u>3 Years</u></b>	<b><u>5 Years</u></b>	<b><u>10 Years</u></b>
\$727	\$1,048	\$1,391	\$2,356

<b>Class C Shares</b>			
<b><u>1 Year</u></b>	<b><u>3 Years</u></b>	<b><u>5 Years</u></b>	<b><u>10 Years</u></b>
\$337	\$730	\$1,250	\$2,676

If you did not redeem your Class C shares, you would pay the following expenses:

<b><u>1 Year</u></b>	<b><u>3 Years</u></b>	<b><u>5 Years</u></b>	<b><u>10 Years</u></b>
\$237	\$730	\$1,250	\$2,676

### **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 21.18% 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 those whose securities are traded in the U.S. as American Depositary Receipts (“ADRs”).

Under normal market conditions, the Fund will invest at least 80% of its net assets (plus borrowings for investment purposes) in equity securities of companies that derive a significant portion of their revenues from a group of vice industries that includes the alcoholic beverages, tobacco, gaming and defense/aerospace industries. The Fund will concentrate at least 25% of its net assets in this group of four vice industries (but no more than 80% of its net assets in any single industry).

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 Fund can increase during times of significant market volatility. The principal risks of the Fund include:

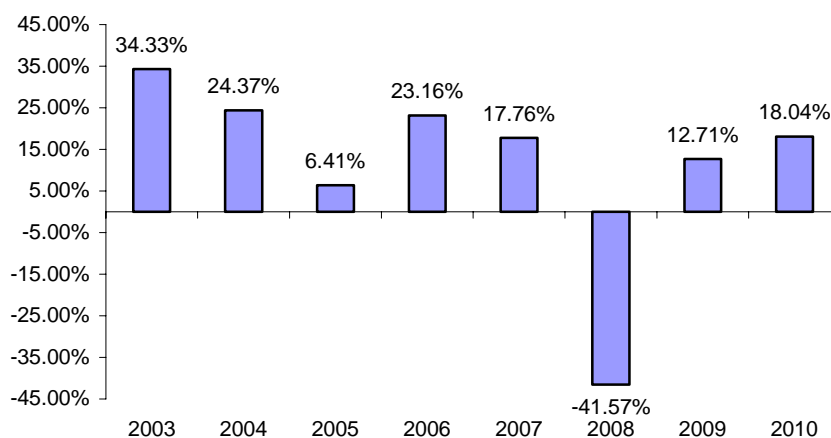
- the risk that you could lose all or portion of your investment in the Fund;
- the risk that certain stocks selected for the Fund’s portfolio may decline in value more than the overall stock market;
- the risk that investment strategies employed by MAI in selecting investments for the Fund may not result 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 will concentrate at least 25% of its net assets in the group of four vice industries identified in this prospectus, the Fund may be subject to the risks affecting those industries, including the risk that the securities of companies within those industries will underperform due to adverse economic conditions, regulatory or legislative changes or increased competition affecting those industries, more than would a fund that invests in a wide variety of 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 derivatives, specifically call and put options, for hedging purposes and to reduce Fund volatility, 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 performance information demonstrates the risks of investing in the Fund by showing changes in the Fund's performance from year to year and 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 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. Updated performance information is available through the Fund's website at [www.usamutuals.com](http://www.usamutuals.com).

**Investor Class Shares<sup>(1)</sup>**  
*Calendar Year Returns as of 12/31/10*



<sup>(1)</sup> The returns in the bar chart are for Investor Class shares which are offered in a separate prospectus but would have substantially similar annual returns because its shares are invested in the same portfolio of securities and the annual returns would differ only to the extent that the classes do not have the same expenses. Sales loads are not reflected in the bar chart or in the best and worst quarterly returns set forth below. If sales loads were reflected, the returns shown would have been lower.

The Fund's calendar year-to-date return for the Fund's Investor Class shares as of June 30, 2011 was 14.34%. 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, 2010)

<b>Investor Class Shares</b>	<b>One Year</b>	<b>Five Year</b>	<b>Since Inception (8/30/2002)</b>
Return Before Taxes	18.04%	2.43%	7.89%
Return After Taxes on Distributions	17.82%	2.15%	7.68%
Return After Taxes on Distributions and Sale of Fund Shares	11.95%	2.07%	6.94%
<b>S&amp;P 500 Index</b> (reflects no deductions for fees, expenses or taxes)	15.06%	2.29%	5.95%

After tax returns are shown for Investor Class shares and will vary for Class A and Class C shares. 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.

**Investment Advisor**

Mutuals Advisors, Inc. is the Fund's investment advisor.

**Portfolio Manager**

Mr. Gerald Sullivan, Portfolio Manager, has managed the Fund since June 1, 2011.

**Purchase and Sale of Fund Shares**

You may purchase or redeem shares 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. 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 for purchases and exchanges with another fund in the USA Mutuals fund family for Class A shares and Class C shares 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

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## 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 U.S. as 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 alcoholic beverages, tobacco, gaming and defense/aerospace 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 alcoholic beverages, tobacco, gaming and/or defense/aerospace 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.

Sell decisions with respect to the Company’s investment in a particular company may occur 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. MAI 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 transaction costs and increases the potential for short-term capital gains, which are taxable as ordinary income and may affect the Fund’s returns.

Under normal market conditions, the Fund will invest at least 80% of its net assets (plus borrowings for investment purposes) in equity securities of companies that derive a significant portion of their revenues from a group of vice industries that includes the alcoholic beverages, tobacco, gaming and defense/aerospace industries. The Fund will concentrate at least 25% of its net assets in this group of four vice industries (but no more than 80% of its net assets in any single industry).

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 MAI 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 Fund

*Temporary Strategies; Cash or Similar Investments.* For temporary defensive purposes, MAI may invest up to 100% of the Fund's total assets in high-quality, short-term debt securities and money market instruments. These short-term debt securities and money market instruments include shares of other mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities and repurchase agreements. Taking a temporary defensive position may result in the Fund not achieving its investment objective. Furthermore, to the extent that the Fund invests in money market mutual funds for its cash position, there will be some duplication of expenses because the Fund would bear its pro rata portion of such money market funds' management fees and operational expenses.

*Changes to Investment Objective and Strategies.* Except as noted below, the Fund's investment objective, 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 Fund will not change its name or policy of investing 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 without providing shareholders with at least 60 days' prior written notice. Furthermore, the Fund's policy of concentrating at least 25% of its net assets in the group of four vice industries identified in this prospectus (but no more than 80% of its net assets in any single industry) is fundamental, which means that it cannot be changed without the approval of the Fund's shareholders.

## Principal Risks of Investing in the Fund

Before investing in the Fund, 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 Fund. The following risks apply to the Fund:

- *Stock Market Risks.* The Fund invests 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 Fund are likely to decline in value. Furthermore, the 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.* The value of a security may move up or down, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industry, sector of the economy or the market as a whole. U.S. and international markets have experienced significant volatility in recent years. The securities markets have experienced substantially lower valuations, reduced liquidity, price volatility, credit downgrades, increased likelihood of default and valuation difficulties, all of which may increase the risks of investing in securities held by the Fund.
- *Management Risks.* Judgments about the attractiveness, value and potential appreciation of particular investments 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 Fund may fail to produce the intended result, and you could lose money on your investment in the Fund.
- *Asset Allocation Risks.* The Fund emphasizes asset allocation strategies and the combining of investments in one or more industries or sectors. Furthermore, although the Fund has ranges of equity and fixed-income allocations, the types of equity or fixed-income securities or other investments invested in by the Fund used and the proportion of such investments involve highly subjective judgments and the Fund is designed to reflect those judgments. As a consequence, a principal risk of the Fund involves the risk that those judgments may not anticipate actual market movements or the effect of economic conditions generally.

- *Non-Diversification Risks.* The Fund is “non-diversified” and therefore is not required to meet certain diversification requirements under federal securities laws. The 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 the Fund’s overall value to decline to a greater degree than if the Fund held a more diversified portfolio.
- *Industry Concentration Risks.* The Fund will invest at least 25% of its net assets in the group of industries identified in this prospectus. To the extent that the Fund focuses in those four vice industries, it may be subject to the risks affecting those industries more than would a more broadly diversified fund. Furthermore, each industry possesses particular risks that may not affect other industries, including the risk that the securities of companies within that industry will underperform due to adverse economic conditions, regulatory or legislative changes or increased competition affecting the industry. The risks relating to specific industries the Fund may invest in are set forth below:
  - *Tobacco and Alcoholic Beverages Industries Risks.* 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.* 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.
- *Small and Medium Capitalization Risks.* To the extent that the Fund invests in the equity securities of companies with small and medium size capitalizations, the Fund is 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 Fund’s 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 the Fund would like to sell.
- *Foreign Securities Risks.* The Fund 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 Fund may invest in foreign securities and/or ADRs of emerging market-domiciled companies. 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 Fund’s investment in securities denominated in a foreign currency or may widen existing losses.
- *Derivatives Risk.* The Fund may invest in derivative securities, specifically call and put options, for hedging purposes and to reduce Fund volatility, 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 Fund. The Fund 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 Fund is unable to liquidate a position because of an illiquid secondary market. Derivatives may also make the 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 Fund borrows and does not own. The Fund may sell securities short only on a fully collateralized basis, as permitted by SEC interpretations. At the time of a short sale, the Fund 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 Fund may engage in short sales if MAI 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 the Fund must pay more for the security than it has received from the purchaser in the short sale.

## **Disclosure of Portfolio Holdings Information**

A description of the Fund's policies and procedures with respect to the disclosure of its portfolio securities is available in the Fund's Statement of Additional Information ("SAI"). Disclosure of the Fund's holdings is required to be made quarterly within 60 days of the end of each fiscal quarter in the annual and semi-annual reports to Fund shareholders and in the quarterly holdings report on Form N-Q. The annual and semi-annual reports to Fund shareholders are available free of charge, by contacting the Fund c/o U.S. Bancorp Fund Services, LLC, at 1-866-264-8783 and on the Fund's website at [www.usamutuals.com](http://www.usamutuals.com). The Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov).

## **Management of the Fund**

Under the laws of the State of Delaware, the Board of Trustees of USA MUTUALS (the "Trust") 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 Fund, subject to the oversight and review of the Board of Trustees.

A discussion regarding the Board of Trustees' basis for approving the Investment Advisory Agreement is included in the Fund's semi-annual report to shareholders for the period ended September 30, 2011.

## **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 Fund. MAI is wholly-owned by Mutual Capital Alliance, Inc. (formerly known as Mutuals.com Holdings Corp.). MAI is a SEC-registered investment advisor.

MAI is entitled to an annual advisory fee of 0.95% of the 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 1.85% and 2.60% of average net assets of the Fund for Class A shares and Class C shares, respectively. The Expense Agreement expires on December 7, 2012. Under the Expense Agreement, MAI may recapture waived or reimbursed expenses for a three-year period following such waiver or reimbursement under specified conditions. The Expense Agreement has the effect of lowering the overall expense ratio for the Fund and increasing the Fund's overall return to investors during the time any such amounts are waived and/or reimbursed.

## **Portfolio Manager**

Mr. Gerald Sullivan, Portfolio Manager, is responsible for the portfolio management of and investment research for the Fund. He has managed the Fund since June 1, 2011. Mr. Sullivan has also served as the President, Chief Compliance Officer, Treasurer and Portfolio Manager for the Industry Leaders Fund since March 1999. Mr. Sullivan also serves as the Chief Investment Officer of Claremont Investment Partners, LLC and patent holder of the Industry Leaders® Portfolio Strategy. Mr. Sullivan also served as President of Claremont Investment Partners, LLC from 1996 to 2008. Mr. Sullivan obtained his undergraduate degree from Columbia University and holds an M.B.A. from the University of Chicago's Booth School of Business.

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

# Shareholder Information

## Choosing a Share Class

The Fund offers both Class A and Class C shares in this Prospectus as well as Investor Class shares in a separate prospectus. The Generation Wave Growth Fund, a separate series of the Trust, also offers Class A, Class C and Investor Class shares through different prospectuses. Each class of shares has a different distribution agreement and expenses to provide for different investment needs. This allows you to choose the class of shares most suitable for you depending on the amount and length of investment and other relevant factors.

**Class A Shares.** You can buy Class A shares at the public offering price, which is the NAV plus an up-front sales charge. The minimum initial amount of investment for Class A shares of the Fund and exchanges into the Fund from another fund in the USA Mutuals fund family 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. You may qualify for a reduced sales charge, or the sales charge may be waived, as described below. The up-front sales charge also does not apply to Class A shares acquired through reinvestment of dividends and capital gains distributions. Class A shares are subject to a 12b-1 fee of up to 0.50%, which is lower than the 12b-1 fee for Class C shares. However, the Board of Trustees has currently authorized a 12b-1 fee of only 0.25% for Class A shares.

The up-front Class A sales charge and the commissions paid to dealers for the Fund is calculated as follows:

When you invest this amount	Sales Charge as a Percentage of Offering Price	Sales Charge as a Percentage of Net Amount Invested <sup>(1)</sup>	Dealer Reallowance
Less than \$50,000	5.75%	6.10%	5.00%
\$50,000 – but less than \$100,000	4.75%	4.99%	4.00%
\$100,000 – but less than \$250,000	4.00%	4.17%	3.25%
\$250,000 – but less than \$500,000	3.00%	3.09%	2.50%
\$500,000 – but less than \$1,000,000	2.50%	2.56%	2.00%
\$1,000,000 and above <sup>(2)</sup>	0.00%	0.00%	1.00% <sup>(3)</sup>

<sup>(1)</sup> Rounded to the nearest one-hundredth percent. Because of rounding of the calculation in determining sales charges, the charges may be more or less than those shown in the table.

<sup>(2)</sup> No sales charge is payable at the time of purchase on investments of \$1 million or more, although the Fund may impose a CDSC of 1.00% on certain redemptions of those investments made within 18 months of the purchase. If imposed, the CDSC is based on the NAV of the shares at the time of purchase.

<sup>(3)</sup> Quasar Distributors, LLC, the Fund's (the "Distributor") may pay a commission up to 1.00% out of its own resources to financial intermediaries who initiate and are responsible for the purchase of shares of \$1 million or more.

The Distributor may, at its discretion, offset the compensation owed to the Distributor for its services with the underwriter concessions (the difference between the sales charge and the dealer reallowance) it receives. The Distributor may also reimburse MAI, its affiliates or other dealers for distribution-related expenses they incur from the underwriter concessions at its discretion.

The offering price for Class A shares includes the relevant sales charge. The commission paid to the Distributor is the sales charge less the reallowance paid to certain financial institutions purchasing shares. Normally, reallowances are paid as indicated in the above table.

**Contingent Deferred Sales Charge on Class C Shares.** Class C shares are subject to a CDSC. The CDSC is imposed on Class C shares redeemed by the shareholder within 12 months of purchase. The 1.00% CDSC is based on the NAV of the shares on the date of original purchase.

## Sales Charge Reductions and Waivers

We offer a number of ways to reduce or eliminate the up-front sales charge on Class A shares.

**Class A Sales Charge Reductions.** Reduced sales charges are available to shareholders with investments of \$50,000 or more. In addition, you may qualify for reduced sales charges under the following circumstances.

**Letter of Intent.** An investor may qualify for a reduced sales charge immediately by stating his or her intention to invest in one or more funds in the USA Mutuals fund family, during a 13-month period, an amount that would qualify for a reduced sales charge and by signing a Letter of Intent ("LOI"), which may be signed at any time within 90 days after the first investment to be included under the LOI. However, if an investor does not buy enough shares to qualify for the lower sales charge by the end of the 13-month period (or when you sell your shares, if earlier), the additional shares that were purchased due to the reduced sales charge credit the investor received will be liquidated to pay the additional sales charge owed.

**Rights of Accumulation.** You may add the current value of all of your existing Fund shares to determine the front-end sales charge to be applied to your current Class A purchase. Only balances currently held entirely at the Fund or, if held in an account through a financial services firm, at the same firm through whom you are making your current purchase, will be eligible to be added to your current purchase for purposes of determining your Class A sales charge. You may include the value of Fund investments held by the members of your immediately family, including the value of other investments in the USA Mutuals fund family held by you or them in individual retirement plans, such as individual retirement accounts, or IRAs, provided such balances are also currently held entirely at the Fund or, if held in an account through a financial services firm, at the same financial services firm through whom you are making your current purchase. The value of shares eligible for a cumulative quantity discount equals the cumulative cost of the shares purchased (not including reinvested dividends) or the current account market value; whichever is greater. The current market value of the shares is determined by multiplying the number of shares by the previous day's NAV.

**Investments of \$1,000,000 or More.** With respect to Class A shares, if you invest \$1 million or more, either as a lump sum or through our rights of accumulation quantity discount or letter of intent programs, you can buy Class A shares without an initial sales charge. However, you may be subject to a 1.00% CDSC on shares redeemed within 18 months of purchase (excluding shares purchased with reinvested dividends and/or distributions). The CDSC for the Class A shares is based on the NAV of the shares at the time of purchase. The holding period for the CDSC begins on the day you buy your shares. Your shares will age one month on that same date the next month and each following month. For example, if you buy shares on the 15th of the month, they will age one month on the 15th day of the next month and each following month. To keep your CDSC as low as possible, each time you place a request to sell shares we will first sell any shares in your account that are not subject to a CDSC. If there are not enough of these to meet your request, we will sell the shares in the order they were purchased.

**Class A Sales Charge Waivers:** The Fund may sell Class A shares at NAV (i.e., without the investor paying any initial sales charge) to certain categories of investors, including:

- investment advisory clients or investors referred by the MAI or its affiliates;
- officers and present or former trustees of the Trust; directors and employees of selected dealers or agents; the spouse, sibling, direct ancestor or direct descendant (collectively "relatives") of any such person; any trust, individual retirement account or retirement plan account for the benefit of any such person or relative; or the estate of any such person or relative; if such shares are purchased for investment purposes (such shares may not be resold except to the Fund);
- MAI or its affiliates and certain employee benefit plans for employees of MAI or its affiliates;
- employer sponsored qualified pension or profit-sharing plans (including Section 401(k) plans), custodial accounts maintained pursuant to Section 403(b)(7) retirement plans, and individual retirement accounts (including individual retirement accounts to which simplified employee pension ("SEP") contributions are made), if such plans or accounts are established or administered under programs sponsored by administrators or other persons that have been approved by MAI;
- fee-based financial planners and registered investment advisors who are purchasing on behalf of their clients;

- broker-dealers who have entered into selling agreements with the Fund’s distributor for their own accounts; and
- participants in no-transaction-fee programs of brokers that have a dealer or shareholder servicing agreement with the Fund.

Please refer to the Statement of Additional Information for detailed program descriptions and eligibility requirements. Additional information is available by calling 1-866-264-8783. To receive a reduction in or waiver of your Class A sales charge, you must let your financial institution or shareholder services representative know at the time you purchase shares that you qualify for such a reduction. You may be asked by your financial advisor or shareholder services representative to provide account statements or other information regarding your related accounts or related accounts of your immediate family in order to verify your eligibility for a reduced or waived sales charge. Your financial advisor can also help you prepare any necessary application forms. You or your financial advisor must notify the Fund at the time of each purchase if you are eligible for any of these programs. The Fund may modify or discontinue these programs at any time. Information about Class A sales charges and breakpoints is available on the Fund’s website at [www.usamutuals.com](http://www.usamutuals.com).

### **Class C Shares**

You can buy Class C shares at NAV. Class C shares are subject to a 12b-1 fee of 1.00%, payable to the Fund’s distributor or selected dealers. Your financial intermediary will receive a commission of up to 1.00% on the sale of Class C shares from the Fund’s distributor. Because Class C shares pay a higher 12b-1 fee than Class A shares, Class C shares have higher ongoing expenses than Class A shares.

Class C shares are also subject to a 1.00% CDSC on shares redeemed less than one year after the date of purchase (excluding shares purchased with reinvested dividends and/or distributions) to recover commissions paid to your financial intermediary. The CDSC for these Class C shares is based on the NAV of the shares at the time of purchase. The holding period for the CDSC begins on the day you buy your shares. Your shares will age one month on that same date the next month and each following month. For example, if you buy shares on the 15th of the month, they will age one month on the 15th day of the next month and each following month. To keep your CDSC as low as possible, each time you place a request to sell shares we will first sell any shares in your account that are not subject to a CDSC. If there are not enough of these to meet your request, we will sell the shares in the order they were purchased. We will use this same method if you exchange your shares into another Fund. These deferred sales charges may be waived under certain circumstances such as:

- death of the shareholder;
- divorce, where there exists a court decree that requires redemption of the shares;
- return of IRA excess contributions;
- shares redeemed by a Fund due to low balance or other reasons;
- shares redeemed in accordance with the Funds’ Systematic Withdrawal Plan (“SWP”); and
- other circumstances under the Adviser’s discretion.

### **Valuation of Fund Shares**

Shares of the Fund are sold on a continuous basis at NAV per share, which is determined by the Fund 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 Fund 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 the Fund, including management, administration and shareholder servicing fees, which are accrued daily. The Fund 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, the values the Fund uses to determine its NAV may change on days that Fund shareholders may be unable to purchase or redeem Fund shares.

The Fund's investments are valued according to value. When a market quote is not readily available, the security's value is based on "fair value" as determined by MAI 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 Fund to calculate its 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 the 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 the 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 Fund will use the price of that exchange that the Fund generally considers 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 to believe that a security's last sale price may not reflect its actual value. The intended effect of using fair value pricing procedures is to ensure that the Fund's shares are accurately priced.

## **Buying Shares**

### **Minimum Investments**

The minimum initial amount of investment for purchases and exchanges with another fund in the USA Mutuals fund family for Class A shares and Class C shares 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. Shareholders will be given at least 30 days' written 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 Fund's 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 Fund 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 Fund's 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 Fund and are not binding until so accepted. The Fund reserves the right to reject any purchase order if, in its discretion, it is in the Fund's 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 Fund. A service fee, currently \$25, will be deducted from a shareholder's account for any purchases that do not clear. The Fund 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 Fund by contacting the Fund 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 and share class 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 Fund 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 Fund 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 Fund is 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 Fund. Please visit [www.usamutuals.com](http://www.usamutuals.com) for more information about how to purchase shares of the Fund.

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

### *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 Fund, you may be responsible for any fraudulent telephone orders as long as the Fund has 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 Fund by telephone, you may also mail the request to the Fund 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 Fund and U.S. Bank N.A., the Funds' custodian, 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 Fund 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 Fund 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 Fund's website at [www.usamutuals.com](http://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 Fund through any broker-dealer organization that has been authorized by the Fund and has an agreement with the Fund's distributor, Quasar Distributors, LLC (the "Distributor"). These broker-dealers are further authorized to designate other intermediaries to receive purchase and redemption orders on the Fund's behalf. A purchase order is deemed received by the Fund 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 Fund's 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 Fund 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 Fund has not been registered for sale outside of the United States. The Fund does 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 its discretion, the Fund 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 Fund does not consider the U.S. Postal Service or other independent delivery services to be its agents. Therefore, deposit in the mail or with such services, or receipt at U.S. Bancorp Fund Services, LLC post office box, of purchase orders 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 a change in ownership is requested;
- 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; and
- for all redemptions in excess of \$50,000 from any shareholder account.

In addition to the situations described above, the Fund 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 Fund), you may redeem shares in any amount, but not less than \$100 and not more than \$50,000, by instructing the Fund 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 Fund nor its 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 Fund 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 to a previously designated bank account, call the Fund 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 Fund 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 Fund's 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 Fund 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 Fund receives 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 Fund will honor the redemption request, but will not mail the proceeds until your purchase check has cleared (usually within 15 days). Furthermore, there are certain times when you may be unable to sell Fund shares or receive proceeds.

Specifically, the Fund 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 the 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 Fund's shareholders.

### **Systematic Withdrawal Plan**

As another convenience, you may redeem your Fund shares through the Systematic Withdrawal Plan (the "SWP"). Under the SWP, you may choose to receive a specified dollar amount, generated from the redemption of shares in your account, on a monthly, quarterly or annual basis. In order to participate in the SWP, your account balance must be at least \$10,000 and each payment should be a minimum of \$100. If you elect this method of redemption, the Fund will send a check to your address of record, or will send the payment via electronic funds transfer through the Automated Clearing House (ACH) network, directly to your bank account. For payment through the ACH network, your bank must be an ACH member and your bank account information must be maintained on your Fund account. The SWP may be terminated at any time by the Fund. You may also elect to terminate your participation in the SWP at any time by contacting the Transfer Agent sufficiently in advance of the next withdrawal.

A withdrawal under the SWP involves a redemption of shares and may result in a gain or loss for federal income tax purposes. In addition, if the amount withdrawn exceeds the dividends credited to your account, the account ultimately may be depleted.

### **Redemption Fee**

If you redeem or exchange shares of the Fund after holding them for 60 days or less, 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 Fund and is designed to offset brokerage commissions, market impact and other costs associated with short-term trading of the Fund. For purposes of whether the redemption fee applies, the shares that were held the longest will be redeemed first.

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

The Fund reserves 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 Fund generally pays sale (redemption) proceeds in cash. However, under unusual conditions that make the payment of cash unwise (and for the protection of the Fund's remaining shareholders), the Fund reserves 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 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 Fund (the "Market Timing Policy"). Short-term or excessive trading into and out of the Fund may harm performance by disrupting investment strategies and by increasing expenses. Accordingly, the Fund 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 Fund, 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 Fund, the amount of assets the Fund typically maintains 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 Fund's performance. The Fund is 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 Fund and its 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 Fund seeks to take action that will detect and deter market timing, the Fund cannot represent that market timing can be completely eliminated.

In particular, since the Fund receives purchase and sale orders through financial intermediaries that use group or omnibus accounts, the Fund cannot always detect short-term or excessive trading. However, the Fund 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 Fund has entered into information sharing agreements with financial intermediaries pursuant to which these intermediaries are required to provide to the Fund, at the Fund's request, certain information relating to their customers investing in the Fund through non-disclosed or omnibus accounts. The Fund will use this information to attempt to identify abusive trading practices. Financial intermediaries are contractually required to follow any instructions from the Fund to restrict or prohibit future purchases from shareholders that are found to have engaged in abusive trading in violation of the Fund's policies. However, the Fund 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 Fund's 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 Fund's chief compliance officer monitors enforcement of the Fund's policies regarding market timing.

### **Exchanging Shares**

Shareholders of record may exchange shares of the Fund for another USA Mutuals fund within the same class on any business day by contacting the Fund directly. This exchange privilege may be changed or canceled by the Fund 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 \$1,000 for retirement accounts and \$2,000 for all other accounts is required when exchanging into either an existing account or a newly established account. An exchange from the Fund to another fund 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 the 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 Fund or its shareholders. If you exchange your shares in a Fund for shares in any other fund in the USA Mutuals fund family, 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 Fund reserves 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 Fund does this if the purchase or exchange is disruptive to the efficient management of the Fund 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 Fund’s minimum initial investment requirement (if, within 30 days of the Fund’s written request, you have not increased your account balance, you may be required to redeem your shares; however, the Fund 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.

### **Householding**

In an effort to decrease costs, the Fund intends to reduce the number of duplicate prospectuses and annual and semi-annual reports that you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders that the Fund reasonably believes are from the same family or household. If you would like to discontinue householding for your accounts, please call the Transfer Agent at 1-866-264-8783 to request individual copies of these documents. The Transfer Agent will begin sending individual copies within 30 days after receiving your request. This policy does not apply to account statements.

### **Inactive Accounts.**

Your mutual fund account may be transferred to your state of residence if no activity occurs within your account during the “inactivity period” specified in your state’s abandoned property laws.

## **Distribution of Fund Shares**

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### **The Distributor**

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

### **Rule 12b-1 Plan**

The Fund has adopted the Rule 12b-1 Plan under the 1940 Act. Under the Rule 12b-1 Plan, the Fund may pay the Distributor an annual fee of up to 0.50% on Class A shares and 1.00% on Class C shares of the average daily net asset value of the Fund. However, the Board of Trustees has currently authorized an annual Rule 12b-1 fee for Class A shares of only 0.25% of the average daily net asset value of the Fund. The Fund is currently paying the Distributor an annual fee of 0.25% of its average daily net assets on Investor Class shares. The fee is used to finance activities that promote the sale of shares of the 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 Rule 12b-1 Plan has the effect of increasing the expenses of the Fund from what they would otherwise be. Because these fees are paid out of the Fund’s assets on an on-going basis, over time these fees will increase the cost of your investment in the Fund and may cost you more than paying other types of sales charges.

## Distributions and Taxes

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### Distributions

The Fund is designed to pay shareholder distributions from the Fund's investment company taxable income and from any net capital gains the Fund has realized. Shares will be eligible to receive distributions and will begin earning the right to distributions on the day after which the Fund receives payment and shares are issued. The Fund makes distributions of net investment income semi-annually. Capital gains, if any, are distributed at least once a year. If the day of distribution 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 Fund, however, will be reinvested in additional shares of the Fund 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 is unable to 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. In such case, all future distributions will automatically be reinvested in shares of the same Fund. No interest will accrue on amounts represented by uncashed distribution checks. Distributions paid in cash or reinvested in additional shares are treated the same for tax purposes.

### Taxes

Distributions of the Fund's net investment company taxable income (which includes, but is not limited to, interest, dividends, net short-term capital gains, and net gains from foreign currency transactions), if any, are generally taxable to the Fund's shareholders as ordinary income. To the extent that the Fund's 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 Fund and the shareholder. However, the current federal tax provisions applicable to "qualified dividends" are scheduled to expire for tax years beginning after December 31, 2012.

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 that a shareholder has owned Fund shares.

You will be taxed in the same manner whether you receive your distributions (whether of net investment company taxable income or net capital gains) in cash or reinvest them in additional Fund shares. Distributions are generally taxable when received. However, distributions declared in October, November or December to shareholders of record on a date in such a month and paid the following January are taxable as if received on December 31.

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, exchange or redemption, and how long the shares were held by a shareholder. Any loss arising from the sale, exchange or redemption of shares held for six months or less, however, is treated as a long-term capital loss to the extent of any amounts treated as distributions of net capital gain received on such shares. In determining the holding period of such shares for this purpose, any period during which your risk of loss is offset by means of options, short sales or similar transactions is not counted. If you purchase Fund shares within thirty days before or after redeeming other Fund shares at a loss, all or part of your loss will not be deductible and will instead increase the basis of the newly-purchased shares.

Shareholders will be advised annually as to the federal tax status of all distributions made by the Fund for the preceding year. Distributions by the Fund 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

Because Class A shares and Class C shares have recently commenced operations, there are no financial highlights available at this time.

The financial highlights tables below are based on the financial history of the Investor Class shares of the Fund and are intended to help you understand the financial performance of the Fund 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 Fund (assuming reinvestment of Fund distributions). The information for the years ended March 31, 2011, 2010 and 2009 has been audited by the Fund's independent registered public accounting firm, Cohen Fund Audit Services, Ltd., whose report, along with the financial statements of the Fund, is included in the Fund's annual report to shareholders. Information for the years ended March 31, 2008 and 2007 was audited by the Fund's prior independent registered public accounting firm. Please call 1-866-264-8783 for a free copy of the Annual Report.

### Investor Class Shares

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

	Year Ended March 31,				
	2011	2010	2009	2008	2007
<b>Net Asset Value, Beginning of Year</b>	<u>\$15.42</u>	<u>\$11.67</u>	<u>\$20.57</u>	<u>\$20.37</u>	<u>\$18.08</u>
<b>Income (loss) from investment operations:</b>					
Net investment income	0.21 <sup>(2)</sup>	0.20 <sup>(2)</sup>	0.29 <sup>(2)</sup>	0.03	0.06 <sup>(2)</sup>
Net realized and unrealized gain (loss) on investments	<u>2.67</u>	<u>3.84</u>	<u>(9.09)</u>	<u>0.94</u>	<u>2.48</u>
Total from investment operations	<u>2.88</u>	<u>4.04</u>	<u>(8.80)</u>	<u>0.97</u>	<u>2.54</u>
<b>Less distributions:</b>					
Dividends from net investment income	(0.18)	(0.29)	(0.03)	(0.04)	(0.04)
From net realized gain on investments	=	=	<u>(0.07)</u>	<u>(0.74)</u>	<u>(0.21)</u>
Total distributions	<u>(0.18)</u>	<u>(0.29)</u>	<u>(0.10)</u>	<u>(0.78)</u>	<u>(0.25)</u>
Paid-in capital from redemption fees	<u>0.00<sup>(3)</sup></u>	<u>0.00<sup>(3)</sup></u>	<u>0.00<sup>(3)</sup></u>	<u>0.01</u>	<u>0.00<sup>(3)</sup></u>
<b>Net Asset Value, End of Year</b>	<u>\$18.12</u>	<u>\$15.42</u>	<u>\$11.67</u>	<u>\$20.57</u>	<u>\$20.37</u>
<b>Total Return</b>	19.01%	35.06%	(42.83)%	4.44%	14.10%
<b>Supplemental Data and Ratios:</b>					
Net assets at end of period (000's)	\$79,039	\$76,730	\$70,986	\$180,580	\$103,025
Ratio of expenses to average net assets					
Before waiver and expense reimbursement or recoupment	1.79%	1.99% <sup>(1)</sup>	1.87% <sup>(1)</sup>	1.69% <sup>(1)</sup>	1.93% <sup>(1)</sup>
After waiver and expense reimbursement or recoupment	1.81%	1.93% <sup>(1)</sup>	1.88% <sup>(1)</sup>	1.85% <sup>(1)</sup>	1.78% <sup>(1)</sup>
Ratio of net investment income to average net assets					
Before waiver and expense reimbursement or recoupment	1.24%	1.16% <sup>(4)</sup>	1.43% <sup>(4)</sup>	0.28% <sup>(4)</sup>	0.27% <sup>(4)</sup>
After waiver and expense reimbursement or recoupment	1.22%	1.22% <sup>(4)</sup>	1.42% <sup>(4)</sup>	0.12% <sup>(4)</sup>	0.42% <sup>(4)</sup>
Portfolio turnover rate	21.18%	59.02%	26.67%	36.40%	44.44%

<sup>(1)</sup> 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 1.84% and 1.78% for the year ended March 31, 2010, 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.

<sup>(2)</sup> Per share net investment income was calculated prior to tax adjustments.

<sup>(3)</sup> Less than one cent per share.

<sup>(4)</sup> The net investment income ratios include dividends on short positions.

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***Custodian***  
U.S. Bank, N.A.  
Custody Operations  
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***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**

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

### **Statement of Additional Information**

The SAI provides additional details about the investments and techniques of the Fund 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 Fund's 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 Fund's performance during the Fund's last fiscal year.

You can obtain a free copy of the SAI and the annual and semi-annual reports, request other information, or make general inquiries about the Fund on the Fund's 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](mailto:publicinfo@sec.gov)  
1-202-551-8090

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

1940 Act File No. 811-10319