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USCA All Terrain Fund

October-17

Commentary

October was a very good month for just about everyone but bond investors. Global equities (as measured by the MSCI World Index) were up 1.9%, as stock markets around the world rose in virtual lockstep, reflecting a gathering consensus that we're in the early stages of synchronized global growth. The flip side of that expectation is rising interest rates, which resulted in a 0.4% decline for fixed income (as measured by the Bloomberg Barclays Global Aggregate Bond Index).

The USCA All Terrain Fund posted a respectable net return of 0.9% for October, roughly in line with the 1.0% gross return of the 60/40 equity/fixed income portfolio that we'd like to meet or beat on a risk-adjusted basis over the long term. The Fund's net return year-to-date is now 5.4%, and for the trailing twelve months the Fund has returned 8.7%.

At the risk of sounding like a broken record, we remain positioned to capture some, but not most, of the upside of the second longest bull market in history. But we are also not counting on being first out the door when someone finally yells "fire!" We're not that nimble, and frankly aren't sure that anyone else is. Therefore we're already positioned in what we consider to be a very conservative and defensive manner. Our goal is to deliver superior risk-adjusted returns through a complete market cycle that includes the rougher terrain that we fear may lie ahead.

The biggest contributor to the Fund's performance continued to be our fairly modest equity exposure. Nearly a third of October's gross return, 0.3%, came from domestic equity, which was up 1.7% on invested capital. Long/short equity contributed 0.2% to the month's gross returns, representing a 1.4% return on invested capital. The surprise winner for the month was managed futures, which for most of the past couple of years has been the laggard in the Fund. Driven by sizable moves in crude and other commodities, systematic traders had a big month; the managed futures funds in our portfolio were up a whopping 5.2% on invested capital. As this isn't currently a large allocation for us, this added 0.2% to October's gross performance. Multi-Strategy, the Fund's largest allocation, posted relatively strong numbers as well, returning 0.8% on invested capital and adding another 0.2% to the Fund's gross return for the month.

October's sole detractors were Global Macro and Master Limited Partnerships (MLPs). Global Macro was down 0.9% on invested capital and MLPs were down 4.1% on invested capital, but due to their muted sizing in the portfolio, had a negligible effect on the Fund's return.

We haven't made major changes to the portfolio in some time and don't plan to do so imminently. However, as stock valuations rise -- and risk along with them -- we fully intend to continue to reduce our market exposure. As always, we consider the ultimate return OF investors' capital as important as the return ON investors' capital.

Performance Overview*

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	YTD	TTM	ITD	Std Dev (ITD)
USCA All Terrain	**1.9%**	**1.2%**	**0.9%**	**1.0%**	**0.1%**	**0.3%**	**0.1%**	**0.2%**	**0.8%**	**-0.1%**	**1.2%**	**0.9%**	**5.4%**	**8.7%**	**3.2%**	**4.8%**
Global Equities	1.5%	2.4%	2.4%	2.8%	1.1%	1.5%	2.2%	0.4%	2.4%	0.2%	2.3%	1.9%	18.8%	23.5%	24.4%	10.8%
Global Bonds	-4.0%	-0.5%	1.1%	0.5%	0.2%	1.1%	1.5%	-0.1%	1.7%	1.0%	-0.9%	-0.4%	5.8%	1.2%	8.0%	5.2%
60/40 Blend	-0.7%	1.3%	1.9%	1.9%	0.7%	1.4%	1.9%	0.2%	2.1%	0.5%	1.0%	1.0%	13.5%	14.1%	17.9%	7.0%

** As of October 31, 2017. Performance shown is net of fund fees and expenses, and reflects the reinvestment of dividends and other investment income. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Current performance may be higher or lower than the performance quoted. Please note that the fund commenced operations on July 1, 2015.*

Global Equities is measured by the MSCI World Index and Global Bonds is measured by the Bloomberg Barclays Global Aggregate Bond Index. Please see the strategy, index and statistic definitions at the end of this report.

Sources: USCA Asset Management LLC and the Portfolio Investments, Bloomberg, and eVestment Alliance, LLC.

Fund Description, Terms & Service Providers

The USCA All Terrain Fund seeks long-term risk-adjusted returns that are attractive as compared to those of traditional public equity and fixed income markets. The fund pursues its investment objective using a multi-manager, fund-of-funds approach by investing predominantly in non-affiliated collective investment vehicles, including privately-offered investment funds commonly known as "hedge funds", and publicly traded funds, including exchange-traded funds and mutual funds, which utilize one or more investment or trading strategies, including, without limitation, long-only equity and/or fixed income, relative value, event driven, long/short equity and/or fixed income, managed futures, and global macro strategies.

Minimum Investment: $100,000
Subscriptions: Monthly
Redemptions/Tenders: Quarterly after 1-year anniversary
of fund's inception, subject to sole discretion of Board
Operating Expenses (including management fees):
capped at 1.75% per annum, subject to certain exceptions
(please see the prospectus for a complete description of fees & expenses)

Eligibility: Accredited Investors
Tax Reporting: K-1 (note: fund may generate UBTI)
Advisor: USCA Asset Management LLC
Auditor: Cohen & Company
Administrator: U.S. Bancorp Fund Services
Custodian: U.S. Bank National Association
Legal Counsel: Thompson Hine LLP

Risk Disclosure Statement

An offer can only be made by the prospectus and only in jurisdictions in which such an offer would be lawful. The prospectus contains important information concerning the investment objective, risk factors, expenses and other material aspects of the USCA All Terrain Fund to carefully consider, and must be read carefully before a decision to invest is made. Please contact USCA Asset Management at (713) 366-0500 to obtain a free copy of the prospectus.

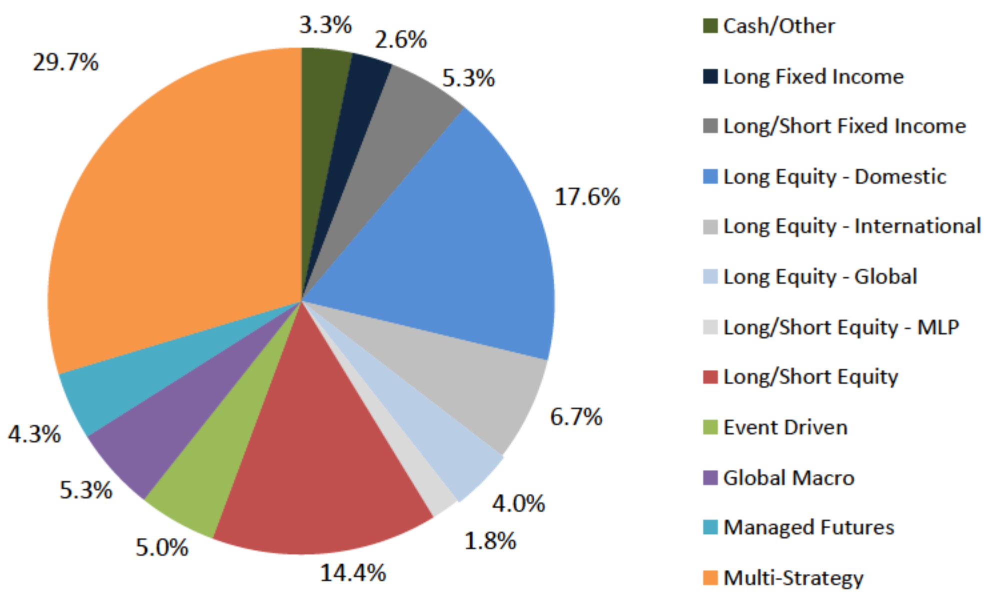
Any person subscribing for an investment must be able to bear the risks involved and must meet the fund's suitability requirements. Some or all alternative investment programs may not be suitable for certain investors. No assurance can be given that the fund's investment objectives will be achieved. Among the risks we wish to call to the particular attention of prospective investors are the following:

- The fund is a closed-end, non-diversified management investment company.
- **A fund investment is speculative and involves a substantial degree of risk.**
- **Past results are not necessarily indicative of future performance, and performance may be volatile.**
- An investor could lose all or a substantial amount of his or her investment.
- The fund is highly illiquid. There is no secondary market for the investors' interest and none is expected to develop.
- No shareholder has the right to require the Fund to redeem its shares. Redemptions are available only through quarterly repurchase offers made at the discretion of the Board.
- Fees and expenses will offset the fund's trading profits.
- The fund will involve a complex tax structure, which an investor should review carefully with its tax advisor before investing.
- The fund is not required to provide periodic pricing or valuation information to investors with respect to its individual investments.
- Some of the underlying funds are not subject to the same regulatory requirements as mutual funds.
- A limited portion of the trades executed may take place on foreign markets.
- The fund is subject to conflicts of interest.

Please review the "Risk Factors" and "Conflicts of Interest" sections of the prospectus.

Strategy Allocation and Top 10 Positions*

Allocation by Strategy



Top 10 Portfolio Positions	Size	Strategy
1. Millennium	10.1%	Multi-Strategy
2. Greenlight Masters	7.8%	Long/Short Equity
3. Och Ziff	5.5%	Multi-Strategy
4. Brevan Howard	5.3%	Global Macro
5. York	5.3%	Long/Short Fixed Income
6. Blue Mountain	5.0%	Multi-Strategy
7. Corsair	5.0%	Long/Short Equity
8. Brandes	4.6%	Long Equity - International
9. Carlson - Arb.	4.3%	Event Driven
10. First Eagle Global	4.0%	Long Equity - Global
Top 10 Portfolio Positions %	**56.9%**	
Total Number of Positions	**29**	

* *As of October 1, 2017. Please note that fund strategies and allocations are subject to change over time.*

Allocation & Attribution (Gross of Fees & Expenses)*

		Attribution		Return on Invested Capital	
	Allocation	MTD	YTD	MTD	YTD
Cash/Other	3.3%	0.0%	0.0%	0.1%	0.7%
Long Fixed Income	2.6%	0.0%	0.1%	-0.2%	4.8%
Long/Short Fixed Income	5.3%	0.1%	0.4%	1.2%	8.2%
Long Equity - Domestic	17.6%	0.3%	2.1%	1.7%	12.9%
Long Equity - International	6.7%	0.0%	0.9%	0.1%	14.9%
Long Equity - Global	4.0%	0.1%	0.4%	1.4%	11.7%
Long/Short Equity - MLP	1.8%	-0.1%	-0.2%	-4.1%	-8.9%
Long/Short Equity	14.4%	0.2%	1.6%	1.4%	11.9%
Event Driven	5.0%	0.0%	0.0%	0.3%	-3.7%
Global Macro	5.3%	0.0%	-0.3%	-0.9%	-5.0%
Managed Futures	4.3%	0.2%	0.2%	5.2%	4.3%
Multi-Strategy	29.7%	0.2%	1.2%	0.8%	3.6%
	100.0%	1.0%	6.5%		

** Allocation as of October 1, 2017. MTD and YTD Attribution and Return on Invested Capital represent the month of October and from January 1, 2017 through October 31, 2017, respectively.*

Index & Statistic Definitions

MSCI World Index. The MSCI World Index is a broad global equity benchmark that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country. The index does not offer exposure to emerging markets.

Bloomberg Barclays Global Aggregate Bond Index. The Bloomberg Barclays Global Aggregate Bond Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. There are four regional aggregate benchmarks that largely comprise the Global Aggregate Index: the US Aggregate (USD300mn), the Pan-European Aggregate, the Asian-Pacific Aggregate, and the Canadian Aggregate Indices. The Global Aggregate Index also includes Eurodollar, Euro-Yen, and 144A Index-eligible securities, and debt from five local currency markets not tracked by the regional aggregate benchmarks (CLP, MXN, ZAR, ILS and TRY). A component of the Multiverse Index, the Global Aggregate Index was created in 2000, with index history backfilled to January 1, 1990.

60/40 Blend. The 60/40 Blend represents the performance of a portfolio that consists 60% of the MSCI World Index and 40% of the Bloomberg Barclays Global Aggregate Index rebalanced monthly.

Rate of Return (ROR). The compound geometric average return that assumes the same rate of return every period to arrive at the equivalent compound growth rate reflected in the actual return data.

TTM. The trailing 12-month return.

Std Dev (ITD). The annualized standard deviation of monthly returns since inception.

Strategy Definitions

Relative Value. Relative value strategies attempt to take advantage of relative pricing discrepancies between various instruments, including equities, fixed income, options and futures. Managers may use mathematical, fundamental or technical analysis to determine misvaluations. Securities may be mispriced relative to an underlying security, related securities, groups of securities, or the overall market. Relative value investments may be available only cyclically or not at all. Furthermore, if assumptions used in the research and analysis of relative value investments are incorrect or if the model used to evaluate such investments is flawed, relative value strategies may be unsuccessful.

Managed Futures. Managed futures strategies involve speculative trading in futures, forwards and options thereon. Managers may trade portfolios of instruments in U.S. and non-U.S. markets in an effort to capture passive risk premiums, and attempt to profit from anticipated trends in market prices. These managers generally rely on either technical or fundamental analysis or a combination thereof in making trading decisions and attempting to identify price trends. They may attempt to structure a diversified portfolio of liquid futures contracts, including, but not limited to, stock index, interest rate, metals, energy and agricultural futures markets. Participation in a market that is either volatile or trendless could produce substantial losses for a fund. Failure to identify trends or to exit a market position after a trend matures could also produce substantial losses for a fund.

Event Driven. Event-driven strategies are designed to profit from changes in the prices of securities of companies facing a major corporate event. The goal of an event-driven strategy is to identify securities, which may include common or preferred stock as well as many types of fixed income, with a favorable risk-reward ratio based on the probability that a particular event will occur. Such events include mergers and acquisitions as well as restructurings, spin-offs and significant litigation (e.g., tobacco or patent litigation).

Global Macro. Global macro strategies typically seek to generate income and/or capital appreciation through a portfolio of investments focused on macro-economic opportunities across numerous markets and instruments. These strategies rely on the use of, among other things, cash and derivative markets, each of which bear their own risks, as well as certain assumptions about global macro-economic trends. There can be no assurance that such macro-economic assumptions will prove to be correct. Global macro managers may employ relative value, event driven, long/short and other strategies or trading approaches. Trading positions are generally held both long and/or short in both U.S. and non-U.S. markets. Global macro strategies are generally categorized as either discretionary or systematic in nature and may assume aggressive investment postures with respect to position concentrations, use of leverage, portfolio turnover, and the various investment instruments used.

Long/Short Equity and Fixed Income. Long/short equity/fixed income strategies generally seek to produce returns from investments in the global equity and/or fixed income markets. These strategies are generally focused on absolute returns and the trades implemented in the strategy generally capitalize on the manager’s views and outlooks for specific markets, regions, sectors, or securities. While these strategies involve both long and short positions in various equity and/or fixed income securities, the manager’s positions will generally reflect a specific view about the direction of a market. Unlike traditional equity or fixed income funds, the directional view relates less to the absolute direction of the market and more toward the specific positions (longs versus shorts) held within a portfolio (nonetheless, a manager may take a directional position that relates to the absolute direction of the market). In addition to making shifts in markets, regions, sectors or securities, managers have the flexibility to shift from a net long to a net short position, but in general will maintain a net long exposure. An exception is for those managers that are classified as short sellers, who maintain a consistent net short exposure in their portfolio, meaning that significantly more capital supports short positions than is invested in long positions (if any is invested in long positions at all). Unlike long positions, which one expects to rise in value, short positions are taken in those securities the portfolio manager anticipates will decrease in value. Long/short equity/fixed income managers may be generalists or may specialize in various areas, including, but not limited to, market sectors, geographies, or a certain segment of the market. There can be no assurance that the valuation assumptions utilized in establishing a long and/or short position in a particular security will prove to be correct or that the strategy will be implemented correctly.

Long Equity and Fixed Income. Similar to long/short equity and/or fixed income described above, managers employing this strategy generally do not engage in short selling or hedging of the market risks associated with their investments, but rather inherent in these strategies is the risk associated with the equity and/or fixed income markets as a whole, in addition to the risks described in “Long/Short Equity and Fixed Income” described above. In certain instances, a manager may raise cash as a means of taking a negative view on the market in an attempt to mitigate a portion of the market risk associated with this strategy.

Multi-Strategy. Multi-strategy funds generally employ some or all of the strategies described above.

The descriptions above reflect the current expectations regarding the strategies that may be used by the funds in which the Fund is invested. Managers have significant latitude when managing these funds and could make changes to these strategies, or the way they are implemented.