



Monthly Market Report
November 2017

LEADER Monthly Market Report

I. Treasury Curve

II. Fixed Income Markets

III. Corporate Spreads

In this market update Leader Capital provides its thoughts on the current economy as well as analysis of specific market sectors and securities – and their strategy for the funds going forward. The securities and sectors mentioned are ones of interest to the portfolio managers in carrying out their investment strategy for the funds and although the funds may not invest directly in the securities or sectors discussed, their resulting performance may impact that of the funds – or influence actions taken by the portfolio managers. These discussions do not imply a recommendation to purchase any specific investment or investment in a specific market segment.

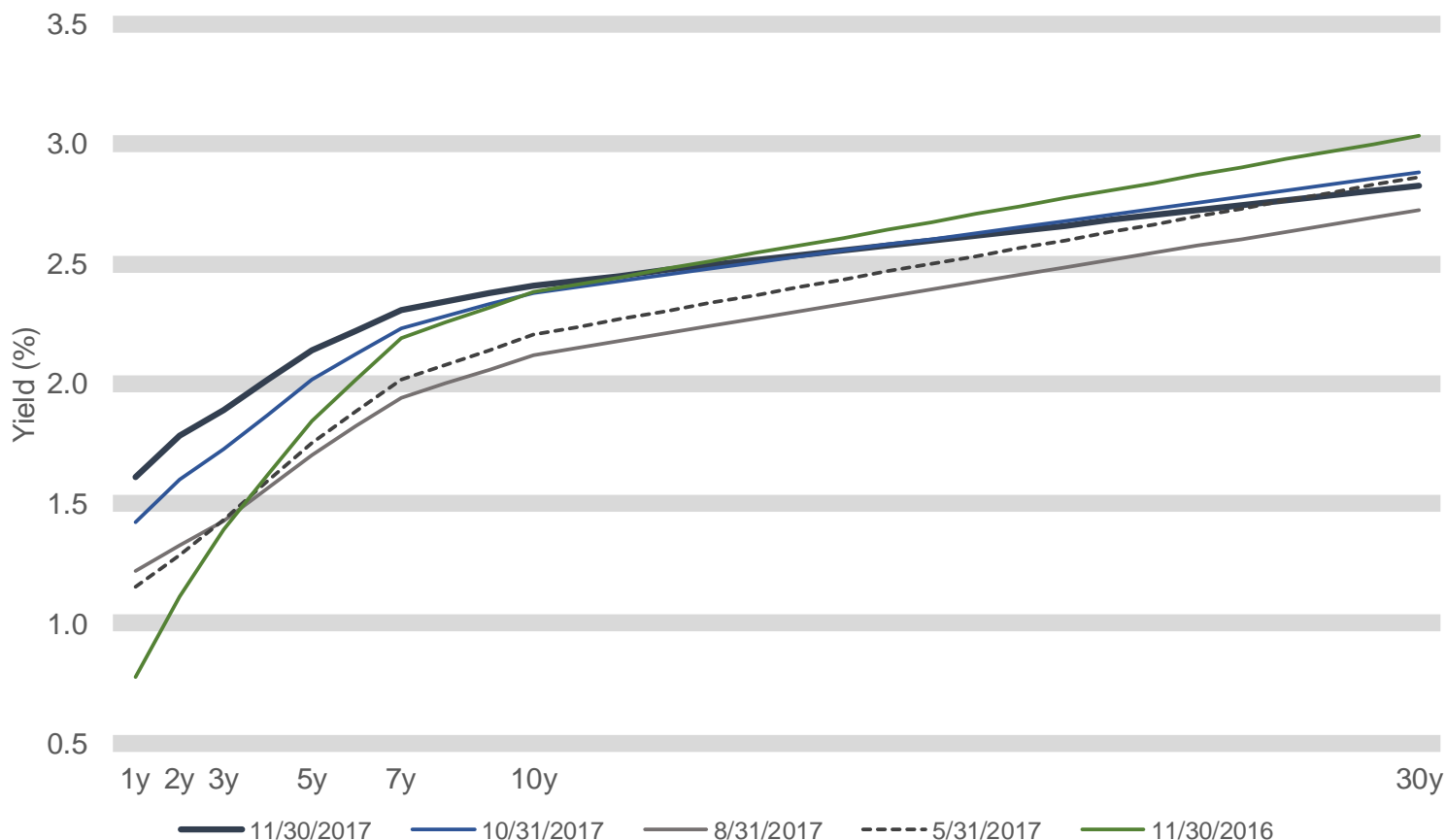
Past performance is no guarantee of future results. Please see page 10 for important information concerning indexes, investment terms and investment risks.

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I. TREASURY CURVE

Historical Treasury Curves

The chart below shows the current treasury yield curve as well as various historical yield curves as of various dates.



Over the past month, the curve continued to flatten. In the table to the right, you can see how the 1Y and 2Y have widened out the most while the 30Y actually tightened creating an even flatter curve.

We would avoid the front end except through floating rate exposure. The long end also faces headwinds if GDP does expand and inflation increases.

US Treasury Curve (%)

Period	1Y	2Y	3Y	5Y	7Y	10Y	30Y
Current	1.61	1.78	1.89	2.14	2.31	2.41	2.83
1 Month	1.42	1.60	1.73	2.02	2.23	2.38	2.88
3 Month	1.22	1.33	1.43	1.70	1.94	2.12	2.73
6 Month	1.15	1.28	1.43	1.75	2.02	2.20	2.86
1 Year	0.77	1.11	1.39	1.84	2.19	2.38	3.03

Spread Widening/Tightening (basis points ("bps"))

Period	1Y	2Y	3Y	5Y	7Y	10Y	30Y
1 Month	+18.6	+18.2	+16.6	+12.1	+7.7	+3.0	-5.2
3 Month	+39.0	+45.7	+46.5	+43.6	+36.5	+29.3	+10.1
6 Month	+45.7	+50.0	+46.0	+38.6	+29.1	+20.7	-3.6
1 Year	+83.3	+66.9	+49.9	+29.6	+11.7	+2.9	-20.7

Source: Bloomberg. Data as of 11/30/2017

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II. FIXED INCOME MARKETS

	11/30/2017	1Wk	1Mo	3Mo	6Mo	1Yr
5Y UST (%)	2.14	2.06	2.02	1.70	1.75	1.84
10Y UST (%)	2.41	2.34	2.38	2.12	2.20	2.38
30Y UST (%)	2.83	2.77	2.88	2.73	2.86	3.04
5Y/10Y UST Spread (%)	0.27	0.28	0.36	0.42	0.45	0.54
10Y/30Y UST Spread (%)	0.42	0.42	0.50	0.61	0.66	0.65
CDX IG Generic 5Y	52.09	52.33	52.15	57.89	61.59	72.75
CDX HY Generic 5Y	318.51	316.44	310.08	326.10	327.74	388.39
iBoxx IG Index	279.15	280.08	279.76	278.91	273.64	261.57
iBoxx HY Index	268.62	268.37	269.69	266.79	264.11	248.50
3M Libor (%)	1.49	1.47	1.38	1.32	1.21	0.93

	1Wk	1Mo	3Mo	6Mo	1Yr
5Y UST	7.40	12.10	43.50	38.60	29.50
10Y UST	6.80	3.10	29.30	20.70	2.90
30Y UST	6.30	-5.20	10.10	-3.60	-20.70
5Y/10Y UST Spread	-0.60	-9.00	-14.20	-17.90	-26.60
10Y/30Y UST Spread	-0.50	-8.30	-19.20	-24.30	-23.60
CDX IG Generic 5Y	-0.24	-0.06	-5.80	-9.50	-20.66
CDX HY Generic 5Y	2.07	8.43	-7.59	-9.23	-69.88
iBoxx IG Index	-0.33%	-0.22%	0.08%	2.01%	6.72%
iBoxx HY Index	0.09%	-0.40%	0.69%	1.71%	8.10%
3M Libor	1.35%	7.69%	12.87%	22.92%	59.22%

Performance	YTD	LTM
CDX IG Generic 5Y Spread	-22.9%	-28.4%
CDX HY Generic 5Y Spread	-10.2%	-18.0%
iBoxx IG Index	6.0%	6.7%
iBoxx HY Index	6.1%	8.1%
3M Libor	49.1%	59.2%

Overall Fixed Income performance remains strong.

High Yield ("HY") has performed inline with Investment Grade ("IG") YTD after lagging most of the year from August.

LIBOR continues moving up and we see this trend continuing.

Historical 5Y/10Y UST Spread and 10Y/30Y UST Spread



Source: Bloomberg. Data as of 11/30/2017

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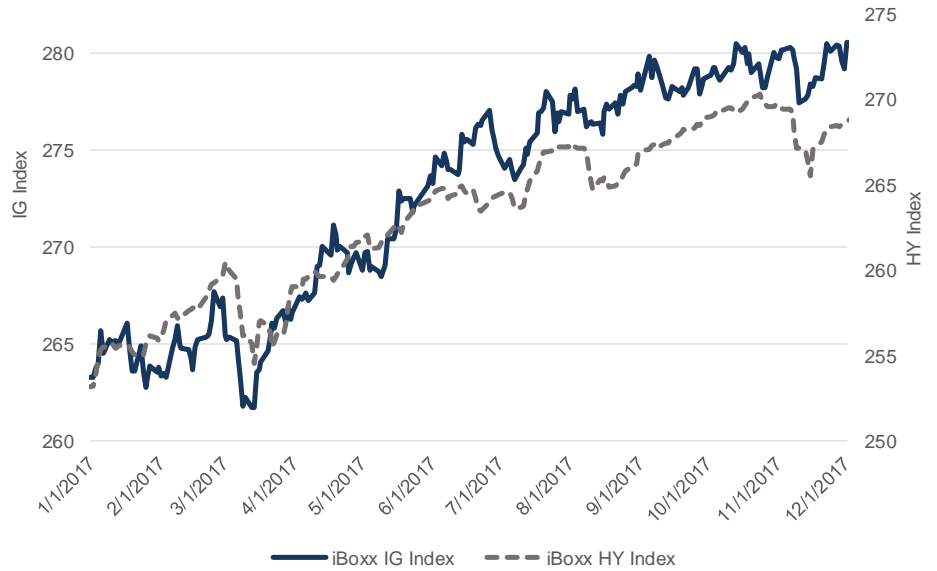
II. FIXED INCOME MARKETS

We've seen a few cracks in spreads this year (March, June, and most recently August). With each test, spreads have tightened back up.

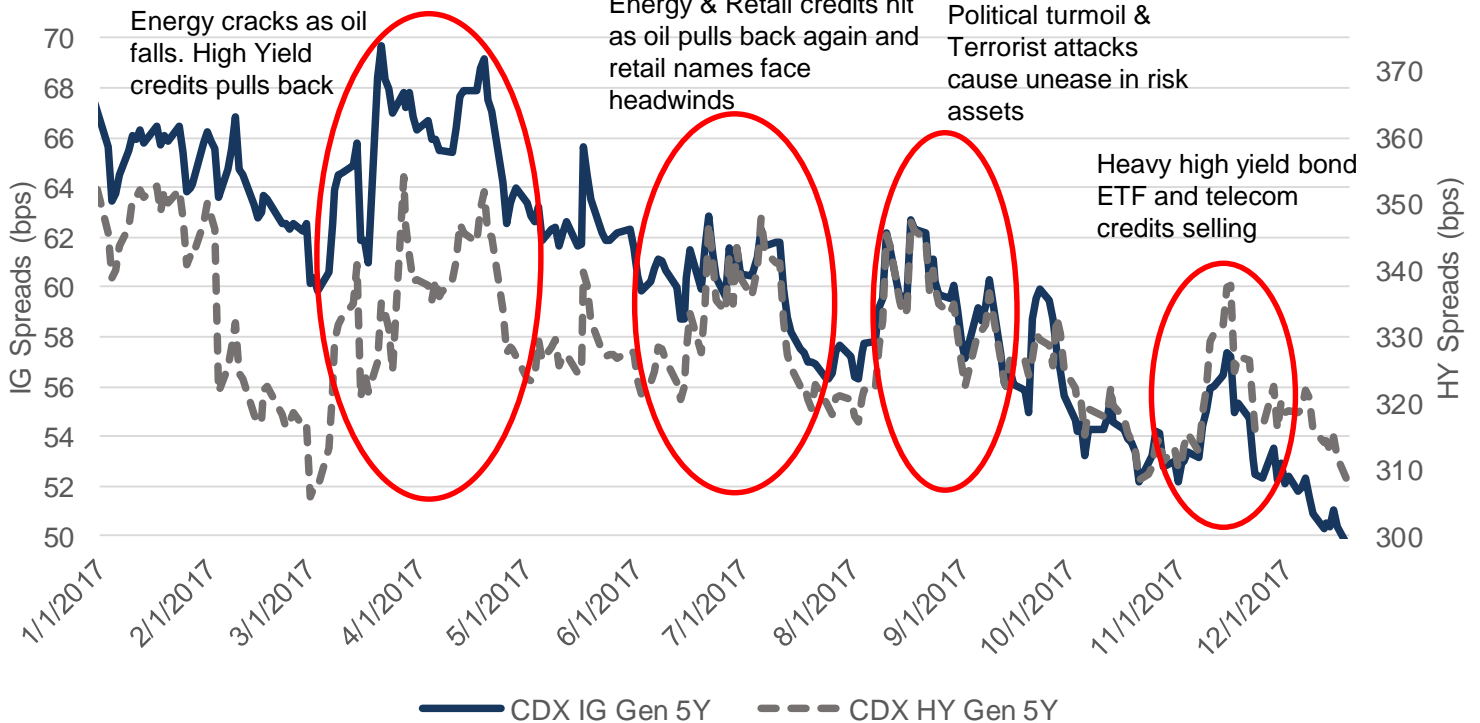
The economic backdrop looks strong especially with Europe looking stronger. High yield spreads are extremely tight and we would be selective with high yield exposure.

We saw some heavy high yield bond ETF selling causing spreads to widen out quickly, but by the end of the month tightened back up and even further. We would expect this tightening to continue into the end of the year.

2017 YTD IG and HY Index Performance



YTD CDX IG Spreads and CDX HY Spreads



Source: Bloomberg. Data as of 11/30/2017

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III. CORPORATE SPREADS

BofA Merrill Lynch US Corporate and HY Indices Statistics

The tables below show data based on various categorizations of the fixed income markets (ratings, maturity, total return).

After seeing some widening, spreads began to tighten across the investment grade and high yield complexes. Spreads across the one month time frame were wider but over the past week, have grinded tighter again.

Table 1

OAS (bps)	11/30/2017	1Wk	1Mo	3Mo	6Mo	1Yr	1Wk	1Mo	3Mo	6Mo	1Yr
Corporate Master	103	104	101	116	119	136	-1	2	-13	-16	-33
High Yield	361	367	351	385	374	467	-6	10	-24	-13	-106
AAA	57	58	56	68	69	75	-1	1	-11	-12	-18
AA	59	62	58	70	74	84	-3	1	-11	-15	-25
A	80	81	78	92	96	108	-1	2	-12	-16	-28
BBB	132	135	130	148	151	175	-3	2	-16	-19	-43
BB	208	217	207	236	236	298	-9	1	-28	-28	-90
B	367	366	343	382	369	457	1	24	-15	-2	-90
CCC & Below	873	887	862	897	834	1096	-14	11	-24	39	-223

Table 2

OAS (bps)	11/30/2017	1Wk	1Mo	3Mo	6Mo	1Yr	1Wk	1Mo	3Mo	6Mo	1Yr
US Corp 1-3Yr	55	55	52	63	70	90	0	3	-8	-15	-35
US Corp 3-5Yr	72	73	69	82	87	107	-1	3	-10	-15	-35
US Corp 5-7Yr	94	96	92	107	110	129	-2	2	-13	-16	-35
US Corp 7-10Yr	113	115	112	128	131	145	-2	1	-15	-18	-32
US Corp 10-15Yr	155	159	158	174	173	188	-4	-3	-19	-18	-33
US Corp 15Yr+	151	153	150	167	170	188	-2	1	-16	-19	-37

Table 3

Total Return	11/30/2017	1Wk	1Mo	3Mo	6Mo	1Yr	1Wk	1Mo	3Mo	6Mo	1Yr
Corporate Master	2885	2893	2889	2884	2832	2716	-0.3%	-0.1%	0.0%	1.9%	6.2%
High Yield	1259	1257	1262	1246	1231	1152	0.1%	-0.3%	1.0%	2.3%	9.3%
AAA	629	632	628	628	614	590	-0.4%	0.2%	0.1%	2.4%	6.6%
AA	650	653	652	652	642	622	-0.3%	-0.2%	-0.3%	1.3%	4.5%
A	685	687	686	686	673	650	-0.3%	-0.1%	-0.1%	1.7%	5.4%
BBB	812	814	813	810	795	756	-0.3%	-0.2%	0.2%	2.1%	7.3%
BB	442	442	443	438	430	407	0.1%	-0.1%	1.0%	2.7%	8.6%
B	346	346	348	343	341	319	0.1%	-0.5%	0.8%	1.6%	8.5%
CCC & Below	443	442	444	437	433	390	0.3%	-0.2%	1.5%	2.3%	13.7%

Table 4

Total Return	11/30/2017	1Wk	1Mo	3Mo	6Mo	1Yr	1Wk	1Mo	3Mo	6Mo	1Yr
US Corp 1-3Yr	1692	1692	1695	1694	1682	1659	-0.0%	-0.2%	-0.1%	0.6%	2.0%
US Corp 3-5Yr	2166	2169	2175	2176	2153	2094	-0.1%	-0.4%	-0.4%	0.6%	3.5%
US Corp 5-7Yr	696	697	699	699	688	661	-0.2%	-0.4%	-0.4%	1.1%	5.3%
US Corp 7-10Yr	519	521	521	521	511	489	-0.3%	-0.3%	-0.3%	1.5%	6.3%
US Corp 10-15Yr	3753	3767	3755	3752	3674	3463	-0.4%	-0.0%	0.0%	2.2%	8.4%
US Corp 15Yr+	4042	4068	4030	4004	3873	3607	-0.6%	0.3%	1.0%	4.4%	12.1%

Both OAS and the changes are displayed as basis points ("bps"). Total Return is displayed as the index value and the change is displayed as percentage change.

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IMPORTANT INFORMATION

UST: U.S. Treasuries

5Y/10Y UST Spread: The difference between the 10Y U.S. Treasury Rate and the 5Y U.S. Treasury Rate

10Y/30Y UST Spread: The difference between the 30Y U.S. Treasury Rate and the 10Y U.S. Treasury Rate

iBoxx IG Index: The iBoxx Investment Grade Index is a benchmark for professional use and comprise liquid investment grade bond issues.

iBoxx HY Index: The iBoxx High Yield Index is a benchmark for professional use and comprise liquid non-investment grade bond issues.

BofA Merrill Lynch Indices: US Investment Grade & HY Indices provided by BofA. Publicly available information on the Federal Reserve St. Louis website.

OAS: Option Adjusted Spread. Measured in in basis points.

Basis Points: A Basis Point is one hundredth of a percent.

CDX IG Gen 5Y: The CDX IG Gen 5Y Index is comprises of tradable Investment grade generic credit default swaps.

CDX HY Gen 5Y: The CDX HY Gen 5Y Index is comprises of tradable non-investment grade generic credit default swaps.

LIBOR: LIBOR is a benchmark rate that some of the world's leading banks charge each other for short-term loans. LIBOR stands for London Interbank Offered Rate. LIBOR serves several different maturities: overnight, one week, and 1, 2, 3, 6, and 12 months.

It is not possible to invest directly in an index.

Past performance is not a guide to future performance. The information in this article does not qualify as an investment recommendation.

Risks: Investments in debt securities typically decrease in value when interest rates rise. The risk is actually greater for longer term debt securities. Investment in lower-rated and nonrated securities presents a greater risk of loss of principle and interest than higher-rated securities. Investments exposed to credit risk where lower-rated securities have a higher risk of defaulting on obligations. Investments in foreign securities involve greater volatility and political, economic and currency risks. They may also have different accounting methods. Investments in asset-backed and mortgage-backed securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments.

An investor should consider the Fund's objectives, risks, charges and expenses carefully before investing or sending money. This and other important information can be found in the Fund's prospectus. For more information please call 800-269-8810. Please read the prospectus carefully before investing.

Forside Distribution Services, LP.

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