

Leader Floating Rate Fund



Fund Overview

Leader Capital | Corp



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Why Invest in Leader Floating Rate Fund?

Leader Floating Rate Fund (Ticker: LFIFX, LFVFX) is the only investment grade floating rate mutual fund in the Morningstar's Bank Loan category.

The Fund competes in the Bank Loan Morningstar category, which is the traditional “floating rate” category.

How Are We Different?

By prospectus, we have a **credit quality mandate of Single-A or better credits only**. The Bank Loan category is comprised of floating rate funds that invest in significantly lower quality credits (*please see credit quality breakdown slide ahead*). While these funds generate more yield, they have the potential for far greater downside in turbulent markets.

As interest rates rise, we believe it prudent to maintain high credit quality, which is what this fund aims to achieve.

Our unique advantage is we are the **only investment grade fund** in the bank loan space. We believe that floating rate exposure should be a mix of both investment grade and high yield, and that our bank loan peers complement our fund when trying to achieve the right allocation to floating rate bonds.

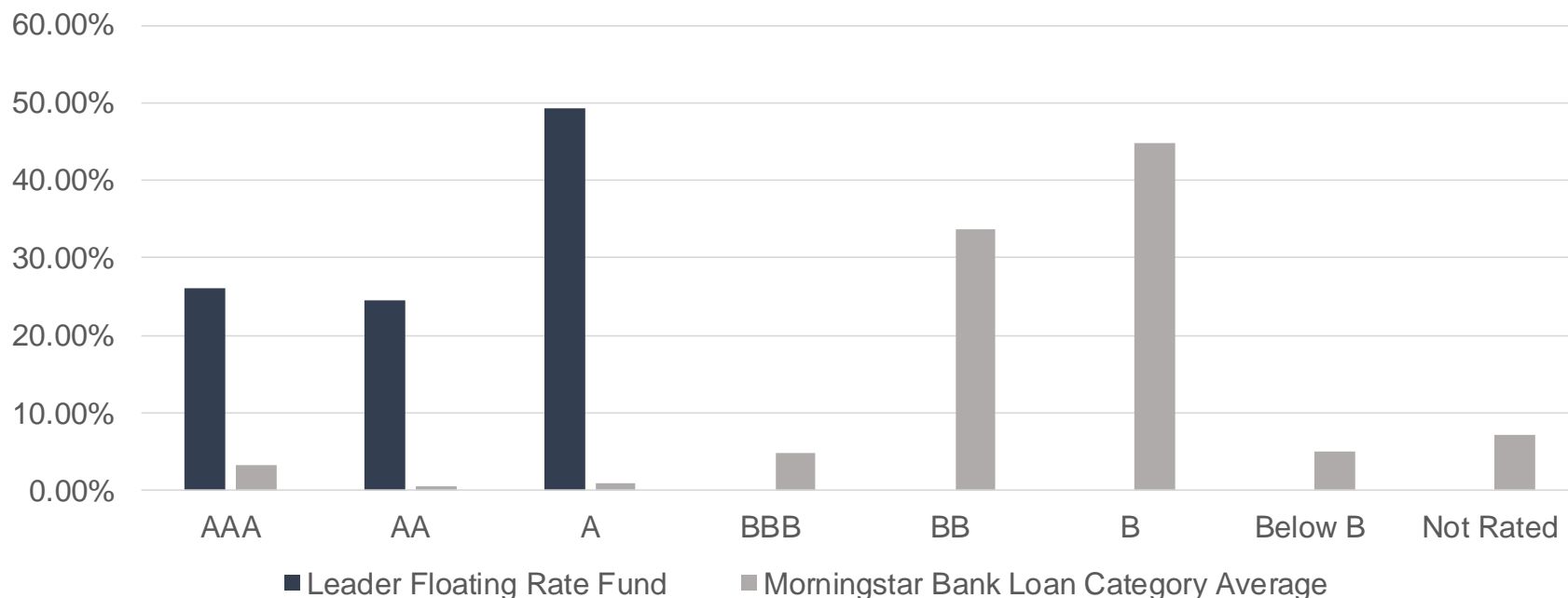
Credit Quality Breakdown

Data as of 12/31/2017

		Leader Floating Rate Fund	Bank Loan Category Average
Investment Grade	AAA	26.15%	3.19%
	AA	24.58%	0.46%
	A	49.27%	0.93%
	BBB	0.00%	4.85%
High Yield	BB	0.00%	33.62%
	B	0.00%	44.78%
	Below B	0.00%	5.00%
	Not Rated	0.00%	7.17%

Leader Floating Rate Fund invests in A or better rated credits only. Our bank loan peers invest primarily in the high yield ratings complex.

In efforts of meeting our investment objective of income and appreciation, we focus on investment grades credits in efforts to reduce the Fund's volatility. As the only investment grade option in the category, we believe we belong in every floating rate bond allocation.



Source: Morningstar

Yield Differential Shrinks as Rates Rise

Earlier, we mentioned how our competitors generate more yield (as expected) as they have significantly lower portfolio credit quality.

We want to highlight how as rates rise the yield differential shrinks with our fund versus our bank loan peers.

	Hypothetical Current Yield						
Bank Loan Category	4%	5%	6%	7%	8%	9%	10%
Leader Floating Rate Fund	3%	4%	5%	6%	7%	8%	9%
<i>% Greater than Leader</i>	33.33%	25.00%	20.00%	16.67%	14.29%	12.50%	11.11%

We believe the risk reward is tilted against traditional floating rate funds in the bank loan category because the yield differential between Leader Floating Rate Fund and a traditional floating rate fund decreases as interest rates rise. You are simply not being paid enough for the risk you would be taking.

On an absolute basis, we currently only trail our Morningstar category by approximately 1% as of 12/31/2017. While we anticipate the 1% margin to persist in a rising rate environment, the % yield benefit diminishes as rates continue to rise. Leader Floating Rate Fund aims to provide the missing component of the bank loan category by providing a high credit quality fund, while also seeking to generating a strong yield.

Outperforms on a Risk Adjusted Basis

Leader Floating Rate Fund started on 12/30/2016. We have a full year of performance and the fund has performed as expected. For a fund of its credit quality, we knew that we would generate less yield, which is where much of the performance comes from for a floating rate bond fund. However, on a risk adjusted basis, our fund performed well in its first year due to its reduced volatility.

	Average Duration	Current Yield	Volatility (1 Yr)	Sharpe Ratio (1 Yr)	Sherman Ratio
Leader Floating Rate Institutional	0.24	2.81	0.22	6.84	11.71
Ultrashort Bond Morningstar Category	0.60	1.38	0.04	1.78	2.32
Short-Term Bond Morningstar Category	2.20	1.72	0.17	1.01	0.78
Intermediate-Term Bond Morningstar Category	5.27	2.40	0.93	1.81	0.46
Bank Loan Morningstar Category	0.30	3.78	0.85	2.52	12.56

The table illustrates Sharpe Ratios and Sherman Ratios. Our Fund performed well in both measures against traditional fixed income categories as well as against the bank loan space. Our Sharpe Ratio outperformed our bank loan space **6.84 vs 2.52** in the past year, meaning after accounting for volatility, the risk adjusted return we generated was 2.7x greater than our bank loan category average.

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. Share prices and investment returns fluctuate and investor shares may be worth more or less than original cost upon redemption. To obtain performance as of the most recent month end, please call 1-800-269-8810.

Data as of 12/31/2017. Source: Morningstar

Versatility Across Asset Classes

We can make the argument that our fund belongs in several categories. We compete in the Bank Loan category because we are distinctly an investment grade floating rate fund that competes against lower credit quality funds in the bank loan space.

We also believe the fund is a great option as an ***Ultrashort Bond Fund***, or ***Short Term Bond Fund***.

At its core, our fund has little to no duration, which fits either the ultrashort or short term bond category. In rising rate environments, the front end the treasury curve typically rises with the federal funds rate. Short Term Bond Funds are not immune to this interest rate effect. This is where our fund can outperform. On a yield basis, our fund has historically shown to generate almost 1% more yield than the short term bond category average and invests in similarly rated credits.

The more direct duration comparison is the ultrashort bond space. Some investors or advisors use the ultrashort bond space as a cash place holder as well. We believe our fund fits both mandates and better. **Leader Floating Rate Fund** generates more than **double** the yield of the ultrashort category average (2.81% vs 1.38% of the category), with even still less duration (0.24 vs 0.60 of the category).

One Size Fits All

Versus Ultrashort Bond Category

- 0.24 vs 0.60 duration
- 2.81% vs 1.38% yield
- Invest in similar credit quality credits
- Higher Sharpe and Sherman Ratio

Versus Bank Loan Category

- 0.24 vs 0.60 duration
- 2.81% vs 3.78% yield
- Invests in significantly higher credit quality credits
- Higher Sharpe Ratio due to reduced portfolio volatility

Versus Short Term Bond Category

- 0.24 vs 2.20 duration
- 2.81% vs 1.72% yield
- Invest in similar credit quality credits
- Little to no duration whereas short term bond space still has front end curve risk
- Higher Sharpe and Sherman Ratio



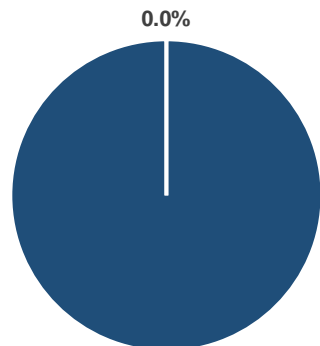
Leader Floating Rate Fund

Past performance does not guarantee future results. Data as of 12/31/2017. Source: Morningstar

Portfolio Statistics

Data as of 12/31/2017

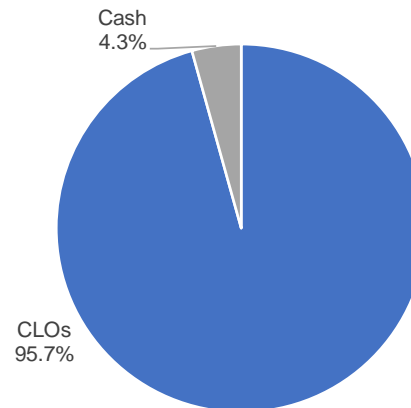
Leader Floating Rate Fund currently has a duration of **0.24 years** and a **current yield of 2.81% net.**



100.0%
 ■ Investment Grade ■ High Yield

The Average Coupon of our Investment Grade floating rate holdings is **3.45%**.

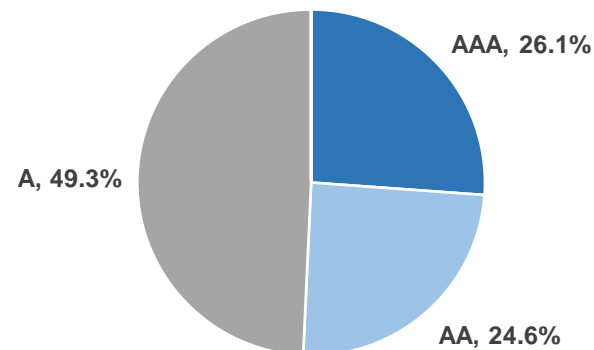
Allocation Breakdown



Top 10 Holdings

Name	Type	Maturity	Weight	Yield	Sector
CGMS 2014-3A BR	Floating	7/27/2026	3.4%	3.80	Asset Backed Securities
CGMS 2015-5A A1A	Floating	1/20/2028	3.3%	3.22	Asset Backed Securities
MDPK 2014-13A CR	Floating	1/19/2025	3.3%	3.82	Asset Backed Securities
ANCHC 2014-5A CR	Floating	10/15/2026	3.3%	3.87	Asset Backed Securities
SNDPT 2014-2A CR	Floating	10/20/2026	3.3%	3.94	Asset Backed Securities
CGMS 2017-1A A2	Floating	4/20/2031	3.3%	3.34	Asset Backed Securities
CIFC 2013-1A A1R	Floating	7/16/2030	3.3%	2.95	Asset Backed Securities
ARES 2013-3A B1R	Floating	10/17/2024	3.3%	3.20	Asset Backed Securities
ALM 2013-7R2A BR	Floating	10/15/2027	2.5%	4.34	Asset Backed Securities
NEUB 2014-17A CR	Floating	4/22/2029	2.5%	4.28	Asset Backed Securities

Ratings Breakdown



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Leader Floating Rate Fund Performance and Yield as of 12/31/2017

Description	4Q17	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Institutional (LFIFX)	0.85%	2.83%	2.83%				2.83%	12/30/2016
Investor (LFVFX)	0.75%	2.33%	2.33%				2.32%	12/30/2016
Morningstar Category - Bank Loan	0.96%	3.47%	3.47%					
Benchmark ¹	1.11%	4.12%	4.12%					

¹ S&P/LSTA Leveraged Loan TR Index

Total Expense Ratios (%)	Gross	Net
LFIFX	11.09	0.66
LFVFX	8.57	1.04

30-Day SEC Yield (%)	Subsidized	Unsubsidized
LFIFX	2.89	2.18
LFVFX	2.51	1.80

The Fund's adviser has contractually agreed to reduce its fees and/or absorb expenses of the Fund, through at least November 17, 2018, to ensure that total annual fund operating expenses after fee waiver and/or reimbursement (excluding any front-end or contingent deferred loads, brokerage fees and commissions, acquired fund fees and expenses, fees and expenses associated with instruments in other collective investment vehicles or derivative instruments (including for example options and swap fees and expenses), borrowing costs (such as interest and dividend expense on securities sold short), taxes and extraordinary expenses, such as litigation expenses (which may include indemnification of Fund officers and Trustees and contractual indemnification of Fund service providers (other than the adviser)) will not exceed 1.00% and 1.00% of each class's net assets, respectively, for Institutional Shares and Institutional Shares.

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Important Information

Leader Floating Rate Fund

Important Risks: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher quality bonds generally offer less risk than longer term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Investments in debt securities typically decrease in value when interest rates rise. The risk is actually greater for longer-term debt securities. Investment by the fund in lower-rated and nonrated securities presents a greater risk of loss of principle and interest than higher-rated securities. The fund is 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.

As with all mutual funds, there is the risk that you could lose money through your investment in the Fund. Investments in debt securities typically decrease in value when interest rates rise. This risk is actually greater for longer-term debt securities. 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. Collateral Loan Obligations ("CLOs") and collateralized debt obligations ("CDOs") are securities backed by an underlying portfolio of loan and debt obligations and the risks depend largely on the types of those underlying holdings. Investments in foreign securities involve greater volatility and political, economic and currency risks. The fund is exposed to credit risk where lower-rated securities have a higher risk of defaulting on obligations. Investment by the fund in lower-rated and nonrated securities presents a greater risk of loss of principle and interest than higher-rated securities. The Fund is subject to liquidity risk as some securities may have few market-makers and low trading volume, which tends to increase transaction costs and may make it difficult for the Fund to dispose of a security at all or at a price which represents current or fair market value. As a result of its trading strategy, the Fund expects to engage in frequent portfolio transactions that will likely result in higher portfolio turnover and commissions than many investment companies.

Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because the sensitivity of mortgage-related securities to changes in interest rates, a fund's performance may be more volatile than if it did not hold these securities.

The Subsidized 30-day SEC yield for the Leader Floating Rate Fund as of 12/31/17 is as follows; Investor Class 2.51% and Institutional Class 2.89%. The Unsubsidized 30-day SEC yield for the Leader Floating Rate Fund as of 12/31/17 is as follows; Investor Class 1.80% and Institutional Class 2.18%. These figures represent the standard yield calculation developed by the SEC.

Important Information

Portfolio characteristics represent 100% of the portfolio and will vary over time. Credit qualities are shown as a percentage of net assets. A bond rated BBB or higher is considered investment grade. This credit quality breakdown reflects the highest security rating provided by Standard & Poor's. Ratings and portfolio credit quality will vary over time.

Average Duration: The weighted average of the option adjusted duration of the portfolio. It is a measure of the sensitivity of the portfolio to changes in interest rates. The higher the duration the more sensitive the portfolio is to changes in interest rates. Average Current Yield is the weighted average of the annual rate of return based on price. It is calculated by the coupon divided by the price.

Current Yield: An investment's annual income (interest or dividends) divided by the current price of the security. This measure looks at the current price of a bond instead of its face value.

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.

Sherman Ratio: Defined as current yield divided by duration

Sharpe Ratio: A measure that indicates the average return minus the risk-free return divided by the standard deviation of return on an investment.

30-Day SEC Yield: The 30-Day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. The 30-Day unsubsidized SC Yield does not reflect any fee waivers/reimbursements/limits in effect.

Holdings are as of date indicated and subject to change.

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

This material must be preceded or accompanied by a prospectus. 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.

Foreside Distribution Services, LP.
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