SEAFARER

SEAFARER OVERSEAS GROWTH AND INCOME FUND

Message to Shareholders

Shanghai, China

AUGUST 31, 2018

Portfolio Manager Update

Effective August 31, 2018, Paul Espinosa and Inbok Song were promoted to Lead Portfolio Managers of the Seafarer Overseas Growth and Income Fund (the "Fund"). Andrew Foster remains a Lead Portfolio Manager of the Fund.

Previously, Paul and Inbok served as Co-Portfolio Managers of the Fund since June 2016 and August 2017, respectively.

For more information, please see the Fund's Prospectus[1] and the following Q&A.

Q&A

Why were Paul Espinosa and Inbok Song promoted to Lead Portfolio Managers of the Growth and Income Fund alongside Andrew Foster?

Paul Espinosa and Inbok Song were promoted because each has developed particular investment expertise: Paul is Seafarer's specialist with respect to value securities, and Inbok is the specialist with respect to growth securities. Both have made important contributions to the Fund in the past within these areas of expertise. Andrew has chosen to promote Paul and Inbok because he deemed both ready for promotion and capable of handling the associated responsibility, and because doing so would help enhance the Fund's investment in its value and growth "tails" (e.g., positions with lower current valuations and higher growth potential, respectively). Andrew discussed the increasing emphasis on the Fund's value and growth tails in his second quarter 2018 portfolio review.[2]

Have the portfolio manager promotions caused the Fund's research process to change?

No, the research process for the Fund remains materially unchanged. Seafarer continues to utilize bottom-up security selection to construct a portfolio that offers a broad balance between prospective growth and current cash flow.

Does the new portfolio management structure change the overall objectives of the Fund?

No, the objectives of the Fund remain unchanged. The Fund aims to offer exposure to the growth potential of the emerging markets along with some current income (typically dividends from common stocks). It also seeks to mitigate adverse volatility in returns. The promotions of Paul Espinosa and Inbok Song enhance the Fund's ability to pursue its stated objectives.

How do the three Lead Portfolio Managers work together to make security selection decisions across the Fund?

Andrew Foster, Paul Espinosa, and Inbok Song are responsible for the securities included in the portfolio in their respective areas of expertise (i.e. moderate growth/income, value, and growth, respectively).

Seafarer's research process is a collaborative effort in which Portfolio Managers work with analysts on a project-by-project basis to identify positions that would be an "upgrade" to existing positions in the portfolio. That process continues as before. Each of the three Lead Portfolio Managers directs projects within their distinct areas of expertise. Andrew Foster continues his focus on securities presenting moderately underappreciated growth and moderately elevated dividend yields. Paul Espinosa focuses on stocks that demonstrate higher yields or other measures of attractive valuations. Inbok Song leads the effort to identify stocks that typically display lower yields but have significant growth potential.

As before, all prospective positions for the Fund are presented to and reviewed by the entire Seafarer investment team.

Each Portfolio Manager is responsible for making the final investment decision on each stock that falls within their area of expertise, and for each position's weighting and eventual replacement.

Why is Seafarer placing greater emphasis on the Fund's value and growth "tails"?

In the Fund's second quarter 2018 portfolio review,[3] Andrew Foster explained that China's rise as a global hegemon is structurally changing the risk-return profile of the emerging markets. He described how Seafarer's approach to balancing the trade-off between growth and income in the Fund is evolving in response. Specifically, Seafarer is increasing exposure to the Fund's value and growth "tails" (e.g., positions with lower current valuations and higher growth potential, respectively). The following is an excerpt from Andrew's portfolio review:

> *I believe the Fund's long-standing "growth and income" strategy is versatile enough to cope with China's rise, but to do so, it must alter its balance between risk and reward. The strategy has historically sought a broad balance between prospective growth and current cash flow, the latter manifest to shareholders in a current dividend yield. Such yield often signaled an attractive valuation, and historically it also meant reduced volatility amid market shocks. In striking this tradeoff, the strategy sought a wide range of stocks, such that their distribution was not unlike a classic bell curve: at one end, stocks with higher prospective growth, and low yields; at the other, stocks with lower prospective growth, and generous yields; and in the middle, stocks with moderately underappreciated growth, and moderately elevated yields.*
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> *In my estimation, it was this third group – the "bulky middle" of the curve – that has been responsible for much of the Fund's steadiness in the past, even as the two tails of the curve sought stocks with higher prospective return. I think the middle has failed to keep pace with China's rise: the reduced risk that such stocks offer is simply not as valuable as it once was, and they do not offer enough potential return to keep pace with China's rise. To re-position the Fund, my aim is to bring out a bit more of the tails – stocks that Seafarer believes offer better return potential, even as they might represent a bit more risk. We have always sought such stocks, and our investment team has been built to pursue them. By prospectus, the Fund will continue to seek growing stocks that offer dividends, as it has always done. In the future, we will place greater emphasis on the two tail ends of the curve over the middle – favoring positions with more growth potential (and less current yield) and positions with greater apparent value (higher yield, lower valuation, and less prospective growth).*

Do the portfolio manager promotions and the greater exposure to the value and growth "tails" change the risk level of the Fund?

Seafarer's definition of risk is permanent loss of capital. Seafarer seeks to control risk via three primary tools: 1) diversification and position size, 2) liquidity management, and 3) the quality of bottom-up research performed on candidate securities.

While Fund holdings in the value and growth tails (e.g. individual securities demonstrating attractive valuations and growth potential, respectively) may have heightened risk profiles compared to holdings with more moderate characteristics, the Fund seeks to remain balanced in its exposure to these securities and diversified across the portfolio.

In addition, the lower volatility profile of the emerging markets – due to reduced risk in China, the dominant emerging markets constituent – provides opportunity to grow the tails of the portfolio, as Andrew Foster describes in his second quarter 2018 portfolio review.[4]

Overall, Seafarer does not intend to materially alter the risk/reward expectations of the Fund through either the new portfolio management structure or the increased exposure to the value and growth tails of the portfolio.

Are the regional, country, sector, and/or market capitalization allocations of the Fund expected to change due to the new portfolio management structure?

The Fund's exposures to regions, countries, sectors, and market capitalization are not fixed and can fluctuate over time. The addition of two new Lead Portfolio Managers is not intended to effect any particular change in the Fund's allocations to the aforementioned factors – in other words, the allocations will continue to fluctuate over time. Exposures to regions, countries, sectors, and market capitalization continue to be the result of the same bottom-up investment process that has been employed since the launch of the Fund. Seafarer expects the portfolio will remain dynamic in its ability to identify securities that provide exposure to the growth opportunity in the emerging markets while mitigating downside volatility.

Under normal market conditions, will the Fund continue to invest at least 80% of its total assets in income-paying securities?

Yes. The Fund's strategy is intended to capture a portion of the growth of the emerging markets while mitigating risk. The Fund favors the capacity for steady, long-term expansion over rapid, near-term growth. To this end, Seafarer believes that current income is a useful tool: it helps to validate the quality of growth, it provides a standardized valuation metric, and it typically acts as a valuation "anchor" to the portfolio, helping to mitigate volatility during inevitable market corrections.

Should investors expect the Fund's equity exposure to increase?

The positioning of the portfolio continues to be determined by bottom-up security selection. Non-equity asset classes remain available for investment within the Fund's strategy. However, Seafarer's current research indicates that the Fund's objectives – providing relative returns in excess of the benchmark index with lower volatility and "downside capture" – are more likely to be achieved with an allocation to equity securities that is higher than the Fund's historical level.

How does the research process for value and growth "tail" stocks differ from that of other securities in the portfolio?

The same core research process and investment philosophy apply to securities being considered across the entire portfolio. The Seafarer research process recognizes that there is not a single determinative set of screens or metrics that is applied to every security selection decision in the portfolio. The research team analyzes each security using the metrics best suited to understand the current valuation relative to the growth potential.

How do the Portfolio Managers balance the exposure to the value and growth "tails" to achieve the objectives of the Fund?

Security selection in the Fund continues to be determined by a bottom-up stock-specific research process. Given the increased exposure in the value and growth tails of the portfolio, the Portfolio Managers seek to ensure that the strategy remains diversified. The managers aim to balance capital across the spectrum between value (current yield) and growth. The Portfolio Managers expect that the portfolio will be re-positioned if one tail grows disproportionally larger than the other.

Seafarer continues to believe that markets are relatively efficient in the short-term, and it is difficult to "time" moves in the broad market or individual securities. For these reasons, portfolio rebalancing will take place with an eye to the long-term performance of the securities within the portfolio.

Is the role of Seafarer's currency models in the management of the Fund changing?

The use of Seafarer's currency models in the management of the Fund remains unchanged. The three Lead Portfolio Managers consider the currency in which a security is traded as part of the bottom-up selection process and ongoing risk management. The managers limit currency exposures within the portfolio based on the risk scores determined by the currency models.

Does the Fund remain appropriate for its most common use, "Defensive Emerging Markets" exposure?

While the positioning of the Fund varies across client portfolios, the Fund is commonly utilized by clients for "downside protection" or "defensive positioning" in the emerging markets. The evolution of the strategy – to offer greater exposure to the value and growth tails of the portfolio – is intended to maintain the Fund's risk/reward profile as emerging markets develop over time.

As the Portfolio Managers balance exposure between the value and growth "tails" of the portfolio, will the Fund's turnover and/or tax efficiency change?

The Fund's investment process continues to remain long term in its orientation and its holding periods. While portfolio turnover rates in the strategy can vary due to opportunities presented by market conditions, Seafarer does not expect the turnover rates in the future to be substantially higher than they have been in the past. However, Seafarer expects that turnover in 2018 may be elevated as the portfolio is re-positioned to address opportunities in the Fund's value and growth tails.

Does Seafarer expect the Fund to benefit from a low correlation between the value and growth investment styles?

Historical performance of value and growth market segments indicates that there have been periods of negative correlations; thus, the Fund's increased exposure to the value and growth tails of the portfolio may provide some diversification benefit. However, the key reason Seafarer is placing greater emphasis on the Fund's value and growth tails is to utilize the expertise of Seafarer team members to perform security selection in areas of the emerging markets where Seafarer believes there is greater opportunity for price anomalies.

SEAFARER OVERSEAS GROWTH AND INCOME FUND

Lead Portfolio Managers

Andrew Foster

Andrew founded Seafarer Capital Partners in 2011. He is the Chief Investment Officer, a Lead Portfolio Manager of the Seafarer Overseas Growth and Income Fund, and the Co-Manager of the Seafarer Overseas Value Fund.

Prior to founding Seafarer, Andrew worked at Matthews International Capital Management, adviser to the Matthews Asia Funds. While there, he served in a number of roles, including Portfolio Manager, Director of Research and Acting Chief Investment Officer. Andrew was directly responsible for the management of $4 billion in emerging market assets, and oversaw both public mutual funds and private accounts, including a sub-advisory relationship for Bank of Montreal's Asian Growth and Income Fund.

Andrew began his career in emerging markets in 1996, when he worked as a management consultant with A.T. Kearney, based in Singapore.

Andrew holds an A.B. in Public Policy and a secondary degree in Economics from Stanford University and an M.B.A. from INSEAD.

Paul Espinosa, CFA

Paul joined Seafarer Capital Partners in 2014. He is the Lead Portfolio Manager of the Seafarer Overseas Value Fund and a Lead Manager of the Seafarer Overseas Growth and Income Fund.

Paul's career has focused on equity analysis in global emerging markets. Previously, he was a London-based equity research analyst at Legg Mason, where he was responsible for stock selection in the industrial and consumer sectors. His portfolio responsibilities included core, small cap, and market-neutral strategies among others. Prior to joining Legg Mason, Paul performed the same function with the same team at Citigroup Asset Management and J.P. Morgan Investment Management in New York. He began his career as a corporate finance analyst at Salomon Brothers' Financial Institutions Group.

Paul holds an A.B. in Economics with Honors from Brown University. He is a CFA charterholder and a member of the CFA Institute.

Inbok Song

Inbok joined Seafarer Capital Partners in 2016. She is a Lead Portfolio Manager of the Seafarer Overseas Growth and Income Fund and the firm's Director of Research and Chief Data Scientist. As Director of Research and Chief Data Scientist, Inbok is responsible for the firm's research processes and systems, new research methodology initiatives, and oversight of training for the analyst staff. Prior to joining Seafarer, she was an Associate Portfolio Manager at Thornburg Investment Management, focused on emerging markets. Previously, Inbok was a Co-Manager of the Matthews Pacific Tiger Fund at Matthews International Capital Management. She began her career in emerging markets as an analyst with T.Stone Corp, a private equity firm in Seoul, Korea.

Inbok holds a Bachelor's degree and a Master's degree in Material Science and Engineering from Seoul National University. She also holds a Master's degree in International Management from the King's College, University of London, and a Master's degree in Management Science and Engineering with a concentration in Finance from Stanford University.

As the Seafarer Overseas Growth and Income Fund offers increased exposure to the value and growth "tails" of the portfolio, will overlap with the Seafarer Overseas Value Fund increase?

Yes, the portfolio overlap between the Growth and Income Fund and the Value Fund will increase. However, the strategy of the Value Fund remains distinct from that of the Growth and Income Fund. The Value Fund offers more concentrated exposure to securities priced at a discount to intrinsic value. View the fund comparison.[5]

With the new portfolio management structure in place, does Seafarer expect that the Growth and Income Fund will re-open to new shareholders?

Following the portfolio manager promotions, a transition period is underway as the Fund's portfolio is re-positioned to address opportunities in the value and growth tails. Seafarer is focused on ensuring that this transition is accomplished in an orderly manner in the best interest of shareholders, and anticipates that the transition will be complete in the fourth quarter of 2018. Once the transition is complete, Seafarer expects that the Fund's Institutional share class (SIGIX) will re-open to new investors.

The Fund was closed to most new investors on September 30, 2016, in an effort to manage its investment capacity and moderate the pace of subscriptions.

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1 www.seafarerfunds.com/prospectus

2 www.seafarerfunds.com/funds/ogi/portfolio-review/2018/06/Q2#value-growth-tails

3 www.seafarerfunds.com/funds/ogi/portfolio-review/2018/06/Q2

4 www.seafarerfunds.com/funds/ogi/portfolio-review/2018/06/Q2#chinas-rise

5 www.seafarerfunds.com/funds

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__Dividend Yield__ (Trailing 12-Mo) is a measure of the sum of the dividends paid per share during the trailing 12 months divided by the current share price. __Downside Capture Ratio__ is a measure of the average extent to which a fund declined with its benchmark index, conditional upon months during which the index declined. A measurement of 100% indicates the fund declined in perfect tandem with the index. __Portfolio Turnover__ is a measure of how frequently assets within a portfolio are bought and sold. Measured as the lesser of long-term purchase costs or sales proceeds divided by the average monthly market value of long-term securities.