



# Seafarer Overseas Growth and Income Fund

Investor Class SFGIX  
Institutional Class SIGIX

## SEMI-ANNUAL REPORT

---

October 31, 2014



## TABLE OF CONTENTS

Letter to Shareholders	1
Portfolio Review	6
Disclosure of Fund Expenses	12
Portfolio of Investments	13
Statement of Assets and Liabilities	18
Statement of Operations	19
Statements of Changes in Net Assets	20
Financial Highlights	22
Notes to Financial Statements	24
Additional Information	32

October 31, 2014

## LETTER TO SHAREHOLDERS

November 11, 2014

Dear Fellow Shareholders,

I am pleased to address you once again on behalf of the Seafarer Overseas Growth and Income Fund. This report addresses the first half of the Fund's fiscal year (May 1 to October 31, 2014).

During the semi-annual period, the Fund gained 2.38%, while the Fund's benchmark, the MSCI Emerging Markets Total Return Index, rose 3.96%.<sup>1</sup> By way of broader comparison, the S&P 500 Index increased 8.22%.

The Fund began the fiscal year with a net asset value of \$11.59 per share. In June, the Fund paid a semi-annual distribution of \$0.075 per share. That payment brought the cumulative distribution per share, as measured from the Fund's inception,<sup>2</sup> to \$0.749. The Fund finished the semi-annual period with a value of \$11.79 per share.<sup>3</sup>

### Performance Review

The first half of the fiscal year was marked by substantial swings in the value of both the Fund and the benchmark index.

Initially, both surged higher together: between the close of the prior fiscal year (April 30) and September 3, the Fund and the index gained 7.16% and 12.29%, respectively. However, early September proved to be the near-term peak in the emerging markets. By the end of October, both the Fund and the index had retreated substantially from the highs of September, and each finished the semi-annual period with only modest gains, as noted above.

When markets were rising prior to September, the Fund's performance lagged its benchmark in part because of what the portfolio held (its Vietnam positions slumped), but mostly because of what it chose to omit (Taiwan technology firms surged, along with China banks, and China and Russia energy companies).

The Fund's Vietnam holdings had enjoyed a modest degree of outperformance in the first several months of the calendar year, but over the summer, their prices crumbled as hostilities between China and Vietnam escalated. During the past several years, China has grown more assertive in its efforts to explore for oil in the South China Sea. This summer, China declared sovereignty over a section of what had been recognized as the East Vietnam Sea, and promptly inserted an oil rig in the contested waters. Vietnam's coast guard retaliated by cutting the rig loose from its mooring, and Chinese warships circled. The conflict spilled onshore as Vietnamese protested Chinese presence on the country's soil, and violent protesters burned or destroyed properties and factories they perceived to be of Chinese ownership. The local stock market plummeted in response, and the Fund's Vietnam holdings detracted from performance. Seafarer continues to monitor the conflict; at this time, though, I do not believe this event constitutes sufficient grounds to exit the portfolio's positions, given their strong growth prospects and reasonable valuations.

Meanwhile, the Fund's lack of exposure to small and mid-size technology companies – mostly located in Taiwan – caused it to lag the benchmark during the market's run-up. While interesting investments occasionally surface among the sea of smaller technology firms located in and around Taipei, this group of companies in general is not distinguished by sustainable growth. Most companies make components for consumer electronics or computers, and while some grow quickly for a while, often their good fortune is not sustainable, as their products are rapidly commoditized, or as technological evolution renders their products obsolete. Their share prices can jump rapidly higher for a time when their products are in vogue. Nevertheless, I rarely find much that is worthwhile or sustainable in this segment of the market, though there are sometimes exceptions.

October 31, 2014

Chinese equities were spurred higher over the summer for several reasons. First, stock prices had become overly depressed in the spring, and were therefore perhaps poised for a modest recovery, which indeed occurred. Second, the Chinese government had ample cause to provide mild stimulus to the economy, not only to offset slowing growth, but also to facilitate the recovery and recapitalization of the state-backed domestic banking system. Third, markets were cheered by news in early August that a former member of China's elite politburo had been arrested. Investors took this as a sign that a long-running and wide-ranging anti-graft campaign was near an end – and consequently that politics and economics “as usual” (i.e. growth-oriented policy-making) might soon resume. Together, these three factors sustained Chinese stocks through the late summer.

September's arrival ended the markets' run. Early in the month, a series of economic reports indicated that the U.S. economy was growing faster than was broadly anticipated. Economic strength prompted investors to re-evaluate their expectations regarding the pace and magnitude of future interest rate increases, even as the Governors of the Federal Reserve cautioned that “conditions may warrant keeping the target federal funds rate below levels [viewed] as normal” for some time to come.<sup>4</sup> The resulting change in expectations brought about a sharp decline in global stock and foreign currency markets.

Around the same time, a number of unwelcome events struck the emerging markets simultaneously. First, economic reports revealed that the Chinese economy was unexpectedly weak, despite the aforementioned stimulus measures introduced over the summer. Second, Brazil's incumbent president, Dilma Rousseff, won re-election by a narrow margin – and the Brazilian currency (the real) and stocks declined out of fear that Rousseff's victory would beget further fiscal stress and economic stagnation. Third, geopolitical concerns regarding Russia's involvement in Ukraine resurfaced, and currency markets weakened after the release of new reports that Russia's government was contemplating closing its capital account to foreign exchange. All of these events combined to eliminate the gains of the Fund and the index such that both slumped toward the end of the semi-annual period.

The bulk of the Fund's holdings were unable to escape September's downdraft, though the Fund fell less rapidly than the index. The Fund's holdings in Brazil and Turkey weighed heavily on performance: both countries' stock markets reacted badly to the prospect of higher interest rates, and their respective currencies fell very sharply, too. Of the two markets, Brazil was especially hard-hit, swooning on the re-election of President Rousseff. I acknowledge that both countries' currencies are somewhat vulnerable in the short run to changing interest rate conditions, yet I am not particularly concerned about currency risks in the context of the Fund's construction and long-term investment horizon.

If you wish to review a more detailed discussion of the Fund's performance and holdings, Seafarer publishes four portfolio reviews per year. Each corresponds to a standard calendar quarter. Please visit [www.seafarerfunds.com/archives](http://www.seafarerfunds.com/archives) for further information.

## The Rise of Value

*Note to readers: this section of the Letter to Shareholders is largely repetitive of a similar commentary published in Seafarer's Portfolio Review for the third quarter of 2014.<sup>5</sup> We are re-publishing the contents here because we believe the underlying ideas are important to convey to all shareholders. If you have previously read the aforementioned review, you may wish to skip to the next section of the letter, titled “Some Brief Announcements.”*

The recent turmoil in global stock markets places the near-term outlook in sharp focus: where are markets headed next?

In my judgment, valuations within the emerging markets are generally favorable to long-term investors. Offsetting this is the precarious state of the Chinese economy, tepid growth in Europe and Latin America, severe instability in Eastern Europe and the Middle East, and the prospect of substantially higher interest rates in the U.S. Uncertainty prevails.

October 31, 2014

Unfortunately – but as usual – I have no means to determine the near-term direction of markets with any precision. Despite prevailing risks, the Fund's portfolio holdings are attractive, and thus the Fund remains near full investment – very little cash is held in reserve right now. Yet even as the near-term is murky, I believe the longer-term outlook has recently come into sharper focus. A very important structural change – one that I think has been a long time in coming – has just begun to reshape the investment landscape within the developing world. I think the consequence of this change will play out over the next decade, at a minimum.

Before I explain this change, I need to provide some background. For the past sixteen years, I have subscribed to an investment philosophy that stresses “growth” over “value.” By “value,” I mean an investment approach that places its primary emphasis on the inherent cheapness of a company's balance sheet, and which places secondary weight on the growth prospect of the company's income statement. Such cheapness usually stems from an excessive amount of cash on the balance sheet; or assets whose liquidation value exceeds the company's market capitalization; or operating assets that would become substantially more productive (and therefore more valuable) if in the hands of a more capable owner-operator.

When pursuing “growth,” I have never shunned “value.” On the contrary: I know price matters a great deal. I know that long-term investment success hinges on the pursuit of securities with reasonable prices, and the avoidance of securities with excessive valuations. In abstract, I prefer the concept “value” to “growth.” However, I have built the Fund's investment strategy around a conservative “growth and income” strategy out of practical necessity. In the past, I have had substantial doubts as to whether a classic “value” strategy could be effectively implemented within the developing world – “value” seemed destined to become a “value trap.” Pursuing a “growth and income” strategy was a viable alternative. The strategy's exposure to growth would ostensibly generate an underlying, compounding rate of return. The strategy's focus on generating a reasonable measure of current income was intended to ensure the portfolio of stocks exhibited satisfactory value, and would be less prone to the volatility inherent to the emerging markets.

While I might prefer “value” in abstract, my doubts about it in practice stem from the many structural impediments that the emerging markets present to the pursuit of a classic value investment approach. Most of those impediments are a function of the rudimentary state of the protections afforded passive minority investors, especially foreigners (such as the Fund). In order to realize the value embedded in a cheap balance sheet, a minority investor must often invest patiently for an extended period, awaiting the catalyst that will ultimately unlock the value.

The problem with waiting in the developing world is that most countries lack sufficient legal, financial, accounting and regulatory standards to protect minority investors from abuse by “control parties.” A control party is the dominant owner of a given company. Without appropriate safeguards, minorities have little hope of avoiding exploitation while they wait; nor do they have sufficient legal clout to exert pressure on the control party to accelerate the realization of value. Thus in the past, a prospective “value” investment was more likely to be a “trap” than a source of long-term return. A passive, minority investor in common stock might be forced to wait a very long time before realizing the “value” underpinning the investment – if they realized anything at all.

Other challenges exist for a “value” strategy in the developing world. “Change-of-control” investors – either private equity firms, or operating companies attempting to consolidate their industry – are typically thwarted in their attempts to wrestle control from negligent control parties, thus precluding an important means by which investors might realize “value.” Change-of-control investors usually face legal and cultural barriers that impede their ability to execute hostile takeovers. Incumbent control parties are often secure in their status, benefiting from political patronage, legal systems that hamper takeovers, and guanxi.<sup>6</sup> Another historical impediment to takeovers has been the stunted nature of debt capital markets. Capital markets in the developing world have historically been small and shallow. Obviously, leveraged buyouts and other “take private” transactions will struggle if local currency debt markets are not deep enough to provide the requisite capital.

Perhaps the most significant impediment is the relatively minimal presence of large, domestic institutional investors (i.e. pension funds, endowments, and other asset managers) within developing

October 31, 2014

markets. The absence of such institutions can hamper the realization of “value”: institutions with vested economic interests are often critical to ensuring a basic standard of economic discipline and corporate governance within a given market. Furthermore, such institutions usually enjoy as much or more local political clout than the control parties they might seek to discipline; this allows them to exert pressure for better governance in a way that very few foreign investors can. Historically, though, domestic institutional investors have been most notable for their minimal presence, or outright absence. Where such institutions exist, they have been mostly unable or unwilling to exercise their economic power to improve governance and corporate performance. Structural impediments such as these – common throughout the developing world – meant that a classic “value” approach had little chance of success in the past.

Now to the present day: all of this is changing. I believe that the prerequisites for realizing a “value” strategy in developing markets are materializing, slowly but steadily. Accounting standards, for example, have undergone enormous improvements in the past fifteen years. The resulting transparency means that it is much harder for control parties to abuse their position. Legal systems, while still imperfect, enforce much greater equality between shareholders than in the past. This means that minority investors and foreigners are on better footing relative to local investors and incumbent control parties.

Change-of-control investors are beginning to emerge. Private equity, while still small, is much better organized and funded than in the past. Local currency debt markets have mushroomed; they now seem large enough to support takeovers and buyouts efficiently. Perhaps most importantly, large domestic institutions have begun to credibly execute their investment mandates. Political reality has caught up with them: fiscal pressures and looming pension liabilities have forced such institutions to get serious about achieving better returns from their investment portfolios on behalf of their constituents. This in turn has prompted institutions to demand more from wayward companies and their management teams; they expect improved profitability and higher dividends. All of the aforementioned changes suggest the investment landscape has been altered – subtly, but irrevocably. Moreover, I believe the natural evolution of these markets will only magnify and sustain the structural change. The future holds further improvements in accounting and legal standards, the proliferation of change-of-control investors, and the rise of domestic institutional investors.

Taken together, all of these changes suggest the time for “value” has finally arrived in the emerging world. You will see Seafarer explore this approach in the future – though in doing so, the Fund will not deviate in any material way from its “growth and income” strategy. From the Fund’s inception, I have experimented with positions that were heavier on “balance sheet value” and somewhat lighter on “growth and income” than was normal for the strategy. Happily, most of those experiments have borne fruit, and consequently, I plan to expand the Fund’s exposure to “value-heavy / growth-and-income” positions. I believe the rise of “value” will be an important feature of investment in the emerging world for the decade to come.

## Some Brief Announcements

I am pleased to report that Seafarer Capital Partners, the investment adviser for your Fund, continues to invest in its own capabilities, as well the cost structure of the Fund itself.

On September 1, Seafarer Capital Partners undertook an expense reduction (known as a “contractual cap”), such that the Fund’s net expenses were reduced to 1.25% for the Investor class and 1.05% for the Institutional class.<sup>7</sup> This is the second such expense reduction since the Fund’s inception. In addition, and at the same time, Seafarer Capital Partners reduced its management fee for the Fund from 0.85% to 0.75%. Seafarer’s management fee constitutes a portion of the Fund’s overall expenses, and therefore such fees are subject to the aforementioned expense cap. For further background on these fee reductions, please see the Letter to Shareholders from the Fund’s Annual Report dated April 30, 2014.<sup>8</sup>

Seafarer’s team continues to grow. In August, we welcomed Sameer Agarwal to the firm. Sameer joins us as a research analyst. His background spans the developing world, with particular emphasis on

October 31, 2014

India, and he is well versed in many valuation techniques and fundamental analyses. He is an excellent complement to our research team.

In September, Daniel Duncan joined the Seafarer team as a Vice President. Daniel leads the firm's business development and client service efforts. He is the first person within Seafarer to engage in a client-facing role. Daniel and I worked together previously, and over the years he has earned my trust and respect. I am so pleased by the opportunity to work with him again.

Amid the continued volatility that has characterized the emerging markets, we wish to thank you for entrusting us with your patience and your capital. It is an honor to serve as your investment adviser in the emerging markets.

Sincerely,

Andrew Foster  
Chief Investment Officer  
Seafarer Capital Partners, LLC

*The MSCI Emerging Markets Total Return Index, Standard (Large+Mid Cap) Core, Gross (dividends reinvested), USD is a free float-adjusted market capitalization index designed to measure equity market performance of emerging markets. Index code: GDUEEGF. It is not possible to invest directly in this or any index.*

*The S&P 500 Total Return Index is a stock market index based on the market capitalizations of 500 large companies with common stock listed on the NYSE or NASDAQ. It is not possible to invest directly in this or any index.*

*The views and information discussed in this commentary are as of the date of publication, are subject to change, and may not reflect the writer's current views. The views expressed represent an assessment of market conditions at a specific point in time, are opinions only and should not be relied upon as investment advice regarding a particular investment or markets in general. Such information does not constitute a recommendation to buy or sell specific securities or investment vehicles. It should not be assumed that any investment will be profitable or will equal the performance of the portfolios or any securities or any sectors mentioned in this letter. The subject matter contained in this letter has been derived from several sources believed to be reliable and accurate at the time of compilation. Neither Seafarer Capital Partners, LLC nor the Fund accepts any liability for losses either direct or consequential caused by the use of this information.*

- <sup>1</sup> *References to the "Fund" pertain to the Fund's Institutional share class (ticker: SIGIX). The Investor share class (ticker: SFGIX) returned 2.27% during the semi-annual period.*
- <sup>2</sup> *The Fund's inception date is February 15, 2012.*
- <sup>3</sup> *The Fund's Investor share class began the fiscal year with a net asset value of \$11.58 per share; it paid a semi-annual distribution of \$0.072 per share in June; and it finished the semi-annual period with a value of \$11.77 per share.*
- <sup>4</sup> *Federal Reserve Board of Governors, Federal Open Market Committee, Press Release, 17 September 2014 ([www.federalreserve.gov/newsevents/press/monetary/20140917a.htm](http://www.federalreserve.gov/newsevents/press/monetary/20140917a.htm)).*
- <sup>5</sup> *The Portfolio Review for the third quarter of 2014 is available at [www.seafarerfunds.com/fund/portfolio-review/2014/09/Q3](http://www.seafarerfunds.com/fund/portfolio-review/2014/09/Q3). Information on the website is provided for textual reference only, and is not incorporated by reference into this letter or report.*
- <sup>6</sup> *Guanxi is a Chinese term used to describe business or social relationships that may result in the exchange of favors or connections that are beneficial for the parties involved.*
- <sup>7</sup> *Seafarer Capital Partners contractually committed to lower the expenses of the Fund for the ensuing twelve months, with the intent to renew the same obligation for the foreseeable future.*
- <sup>8</sup> *The Letter to Shareholders from the Annual Report dated April 30, 2014 is available at [www.seafarerfunds.com/fund/shareholder-letter/2014/04/annual](http://www.seafarerfunds.com/fund/shareholder-letter/2014/04/annual)*

October 31, 2014

## Seafarer Overseas Growth and Income Fund Performance

Total Return (As of October 31, 2014)	1 Year	Since Inception* - Annualized	Net Expense Ratio**
Investor Class (SFGIX)	3.31%	8.74%	1.25%
Institutional Class (SIGIX)	3.51%	8.88%	1.05%
MSCI Emerging Markets Total Return Index <sup>^</sup>	0.98%	1.52%	

Gross expense ratio: 1.66% for Investor Class; 1.51% for Institutional Class. Ratios as of the Prospectus dated August 31, 2014<sup>\*\*</sup>

All performance is in U.S. dollars with gross (pre-tax) dividends and/or distributions reinvested. The performance data quoted represents past performance and does not guarantee future results. Future returns may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Shares of the Fund redeemed or exchanged within 90 days of purchase are subject to a 2% redemption fee. Performance does not reflect this fee, which if deducted would reduce an individual's return. To obtain the Fund's most recent month-end performance, visit [seafarerfunds.com](http://seafarerfunds.com) or call (855) 732-9220.

\* Inception Date: February 15, 2012.

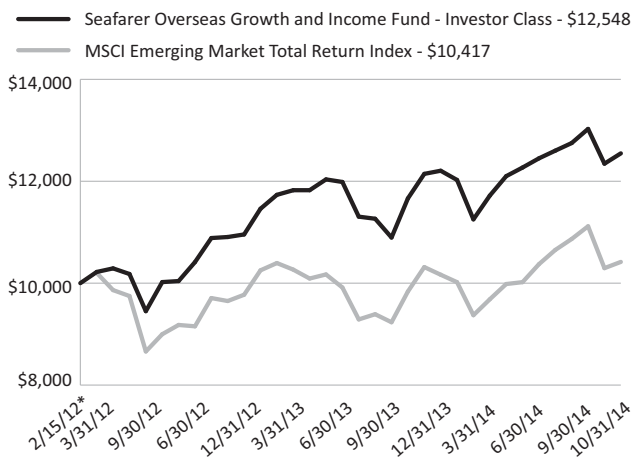
\*\* Seafarer Capital Partners, LLC has agreed contractually to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursements (excluding brokerage expenses, interest expenses, taxes and extraordinary expenses) to 1.25% and 1.05% of the Fund's average daily net assets for the Investor and Institutional share classes, respectively. This agreement is in effect through August 31, 2015.

<sup>^</sup> The MSCI Emerging Markets Total Return Index, Standard (Large+Mid Cap) Core, Gross (dividends reinvested), USD is a free float-adjusted market capitalization index designed to measure equity market performance of emerging markets. Index code: GDUEEGF. The index is not actively managed and does not reflect any deductions for fees, expense or taxes. An investor may not invest directly in an index.



October 31, 2014

## Performance of a \$10,000 Investment Since Inception



\* Inception Date: February 15, 2012.

The chart shown above represents historical performance of a hypothetical investment of \$10,000 in the Fund's Investor Class shares for the period from inception to October 31, 2014. All returns reflect reinvested dividends and/or distributions, but do not reflect the deduction of taxes that an investor would pay on distributions or redemptions.

The Fund also offers Institutional Class shares, performance for which is not reflected in the chart above. The performance of Institutional Class shares may be higher or lower than the performance of the Investor Class shares shown above based upon differences in fees paid by shareholders investing in the Investor Class shares and Institutional Class shares.

## Investment Objective

The Fund seeks to provide long-term capital appreciation along with some current income. The Fund seeks to mitigate adverse volatility in returns as a secondary objective.

## Strategy

The Fund invests primarily in the securities of companies located in developing countries. The Fund invests in several asset classes including dividend-paying common stocks, preferred stocks, convertible bonds, and fixed-income securities.

The Fund seeks to offer investors a relatively stable means of participating in a portion of developing countries' growth prospects, while providing some downside protection compared to a portfolio that invests only in the common stocks of those countries.

October 31, 2014

## Fund Characteristics

Inception Date	February 15, 2012
Net Assets	\$126.7M
Portfolio Turnover <sup>1</sup>	13%

	Investor Class	Institutional Class
Ticker	SFGIX	SIGIX
NAV	\$11.77	\$11.79
30-Day SEC Yield	1.99%	2.17%
Fund Distribution Yield	0.99%	1.09%
Net Expense Ratio	1.25%	1.05%
Redemption Fee (within 90 calendar days)	2.00%	2.00%
Minimum Initial Investment	\$2,500	\$100,000
Minimum Initial Investment - Automatic Investment Plan	\$1,500	\$100,000
Minimum Initial Investment - Retirement Account	\$1,000	\$100,000

## Underlying Portfolio Holdings

Number of Holdings	46
% of Net Assets in Top 10 Holdings	33%
Weighted Average Market Cap	\$21.4B
Market Cap of Portfolio Median Dollar	\$4.1B
Gross Portfolio Yield <sup>2,3</sup>	3.2%
Price / Book Value <sup>2</sup>	1.9
Price / Earnings <sup>2,4</sup>	13.2
Earnings Per Share Growth <sup>2,4</sup>	8%

<sup>1</sup> For the six months ended October 31, 2014. Portfolio Turnover is for a period less than one year and is not annualized.

<sup>2</sup> Calculated as a harmonic average of the underlying portfolio holdings.

<sup>3</sup> Gross Portfolio Yield = gross yield for the underlying portfolio, estimated based on the dividend yield for common and preferred stocks and yield to maturity for bonds. This measure of yield does not account for offsetting Fund expenses and other costs, and consequently it should not be construed as the yield that an investor in the Fund would receive.

<sup>4</sup> Based on consensus earnings estimates for next year. Excludes securities for which consensus earnings estimates are not available.

Past performance does not guarantee future results.

Sources: ALPS Fund Services, Inc., Bloomberg, Seafarer.

**30-Day SEC Yield:** a standard yield calculation developed by the Securities and Exchange Commission (SEC). It represents net investment income earned by the Fund over a 30-day period, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-day period. The 30-Day Yield should be regarded as an estimate of the Fund's rate of investment income, and it may not equal the Fund's actual income distribution rate.

**Fund Distribution Yield:** a measure of the sum of the Fund's income distributions during the trailing 12 months divided by the previous month's NAV (adjusted upward for any capital gains distributed over the same time period).

**Price / Book Value:** the value of a company's common shares, divided by the company's book value.

**Price / Earnings:** the market price of a company's common shares divided by the earnings per common share as forecast for next year.

**Earnings Per Share (EPS) Growth:** forecast growth rate of earnings per common share next year, expressed as a percentage.

Seafarer does not warrant the data's accuracy, and disclaims any responsibility for its use for investment purposes.

October 31, 2014

## Top 10 Holdings

Holding	Sector	Country	% Net Assets	Issuer Mkt Cap (\$B)	Yield <sup>1</sup>	Price / Book	Price / Earnings <sup>2</sup>	EPS Growth <sup>2</sup>
Samsung Electronics Co. Ltd., Pfd.	Information Technology	South Korea	4.0%	\$170.6	1.5%	1.1	8	-9%
Infosys, Ltd. ADR	Information Technology	India	3.9%	\$38.4	1.7%	4.9	18	8%
Singapore Telecommunications Ltd.	Telecom. Services	Singapore	3.8%	\$46.9	4.4%	2.4	15	6%
Valid Solucoes	Industrials	Brazil	3.7%	\$0.9	2.0%	4.0	16	20%
Dongsuh Co. Inc <sup>3</sup>	Consumer Staples	South Korea	3.2%	\$1.9	2.6%	2.0	–	–
Sindhoo Co. Ltd. <sup>3</sup>	Information Technology	South Korea	3.1%	\$0.7	3.2%	0.8	–	–
Hisamitsu Pharmaceutical Co., Inc.	Health Care	Japan	3.0%	\$3.1	2.1%	1.6	21	-16%
Odontoprev SA	Health Care	Brazil	3.0%	\$1.9	4.5%	7.2	20	10%
Hang Lung Properties, Ltd.	Financials	China / Hong Kong	2.8%	\$14.0	3.1%	0.9	17	4%
Astra International Tbk PT	Consumer Discretionary	Indonesia	2.8%	\$22.7	3.2%	3.0	12	11%

**Cumulative Weight of Top 10 Holdings:** 33%

**Total Number of Holdings:** 46

<sup>1</sup> Yield = dividend yield for common and preferred stocks and yield to maturity for bonds.

<sup>2</sup> Based on consensus earnings estimates for next year.

<sup>3</sup> Consensus estimates for earnings and EPS growth are not available for this security.

Portfolio holdings are subject to change.

Sources: ALPS Fund Services, Inc., Bloomberg, Seafarer. Seafarer does not warrant the data's accuracy and disclaims any responsibility for its use for investment purposes.

October 31, 2014

## Portfolio Composition

Region/Country	% Net Assets
<b>East and South Asia</b>	<b>62</b>
China / Hong Kong	17
India	6
Indonesia	4
Japan	5
Malaysia	3
Singapore	9
South Korea	10
Taiwan	4
Vietnam	4
<b>Eastern Europe</b>	<b>14</b>
Poland	7
Turkey	7
<b>Latin America</b>	<b>18</b>
Brazil	11
Chile	1
Mexico	5
<b>Middle East &amp; Africa</b>	<b>4</b>
South Africa	4
<b>Cash and Other Assets, Less Liabilities</b>	<b>2</b>
<b>Total</b>	<b>100</b>

Asset Class	% Net Assets
Common Stock	80
ADR	7
Preferred Stock	5
Foreign Currency	
Government Bond	3
Foreign Currency	
Convertible Bond	2
USD Convertible Bond	1
Cash and Other Assets, Less Liabilities	2
<b>Total</b>	<b>100</b>

Market Capitalization of Issuer	% Net Assets
Large Cap (over \$10 billion)	37
Mid Cap (\$1 - \$10 billion)	41
Small Cap (under \$1 billion)	18
Not Applicable	3
Cash and Other Assets, Less Liabilities	2
<b>Total</b>	<b>100</b>

Sector	% Net Assets
Consumer Discretionary	10
Consumer Staples	9
Financials*	17
Government	3
Health Care	13
Industrials	12
Information Technology	22
Materials	5
Telecommunication Services	5
Utilities	2
Cash and Other Assets, Less Liabilities	2
<b>Total</b>	<b>100</b>

\* The Fund's concentration in the Financials sector includes holdings in property-related stocks, which are classified within the "Financials sector" according to the Global Industry Classification Standard (GICS) methodology utilized herein. Property-related holdings comprised 4% of the Fund's net assets as of October 31, 2014.

Percentage values may not sum to 100% due to rounding.

October 31, 2014

## Top 5 Performance Contributors and Detractors

For the six months ended October 31, 2014

<b>Contributors</b>	<b>% Net Assets<sup>1</sup></b>
Dongsuh Co. Inc	3.2
Xinhua Winshare Publishing and Media Co., Ltd.	2.7
Sun Pharma Advanced Research Co., Ltd.	2.5
Infosys, Ltd. ADR	3.9
Hartalega Holdings Bhd	2.5
<b>Detractors</b>	<b>% Net Assets<sup>1</sup></b>
Samsung Electronics Co. Ltd., Pfd.	4.0
Odontoprev SA	3.0
Ulker Biskuvi Sanayi AS	2.1
Cia Vale do Rio Doce, Pfd.	1.4
Grupo Herdez SAB de CV	2.6

<sup>1</sup> As of end of period.

Source: Bloomberg. Seafarer does not warrant the data's accuracy and disclaims any responsibility for its use for investment purposes.

October 31, 2014 (Unaudited)

As a shareholder of the Fund you will incur two types of costs: (1) transaction costs, including applicable redemption fees; and (2) ongoing costs, including management fees and other Fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The examples are based on an investment of \$1,000 invested on May 1, 2014 and held until October 31, 2014.

**Actual Expenses.** The first line of each table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes.** The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The expenses shown in the table are meant to highlight ongoing Fund costs only and do not reflect transaction fees, such as redemption fees or exchange fees. Therefore, the second line of each table below is useful in comparing ongoing costs only, and may not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 05/01/14	Ending Account Value 10/31/14	Expense Ratio <sup>(a)</sup>	Expenses Paid During Period 05/01/14 - 10/31/14 <sup>(b)</sup>
<b>Investor Class</b>				
Actual	\$ 1,000.00	\$ 1,022.70	1.34%	\$ 6.83
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,018.45	1.34%	\$ 6.82
<b>Institutional Class</b>				
Actual	\$ 1,000.00	\$ 1,023.80	1.17%	\$ 5.97
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,019.31	1.17%	\$ 5.96

<sup>(a)</sup> Annualized, based on the Fund's most recent fiscal half year expenses.

<sup>(b)</sup> Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (184/365 (to reflect the half-year period)).

October 31, 2014 (Unaudited)

	Currency	Shares	Value
<b>COMMON STOCKS (84.5%)</b>			
<b>Brazil (6.6%)</b>			
Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao SA	BRL	290,000	\$ 4,655,636
Odontoprev SA	BRL	1,040,500	<u>3,758,212</u>
<b>Total Brazil</b>			<u>8,413,848</u>
<b>Chile (1.4%)</b>			
Corpbanca SA	CLP	135,000,000	<u>1,814,952</u>
<b>Total Chile</b>			<u>1,814,952</u>
<b>China / Hong Kong (14.9%)</b>			
Hang Lung Properties, Ltd.	HKD	1,125,000	3,510,570
Xinhua Winshare Publishing and Media Co., Ltd., Class H	HKD	3,675,000	3,430,881
Pico Far East Holdings, Ltd.	HKD	13,804,000	3,417,559
Shandong Weigao Group Medical Polymer Co., Ltd., Class H	HKD	2,400,000	2,420,069
Greatview Aseptic Packaging Co., Ltd.	HKD	3,675,000	2,407,304
Digital China Holdings, Ltd.	HKD	2,150,000	2,001,638
Dongfang Electric Corp., Ltd., Class H	HKD	1,000,000	<u>1,691,779</u>
<b>Total China / Hong Kong</b>			<u>18,879,800</u>
<b>India (6.4%)</b>			
Infosys, Ltd., ADR	USD	73,000	4,880,780
Sun Pharma Advanced Research Co., Ltd. <sup>(a)</sup>	INR	980,000	<u>3,165,049</u>
<b>Total India</b>			<u>8,045,829</u>
<b>Indonesia (2.8%)</b>			
Astra International Tbk PT	IDR	6,230,000	<u>3,492,615</u>
<b>Total Indonesia</b>			<u>3,492,615</u>
<b>Japan (4.8%)</b>			
Hisamitsu Pharmaceutical Co., Inc.	JPY	117,000	3,843,579
NTT DOCOMO, Inc.	JPY	132,500	<u>2,196,439</u>
<b>Total Japan</b>			<u>6,040,018</u>

October 31, 2014 (Unaudited)

	Currency	Shares	Value
<b>Malaysia (2.5%)</b>			
Hartalega Holdings Bhd	MYR	1,500,000	\$ 3,192,217
<b>Total Malaysia</b>			<u>3,192,217</u>
<b>Mexico (4.7%)</b>			
Grupo Herdez SAB de CV	MXN	1,275,000	3,275,968
Grupo Financiero Banorte SAB de CV	MXN	425,000	2,723,661
<b>Total Mexico</b>			<u>5,999,629</u>
<b>Poland (7.2%)</b>			
Bank Pekao SA	PLN	64,000	3,345,027
Asseco Poland SA	PLN	205,000	3,042,175
PGE SA	PLN	410,000	2,689,283
<b>Total Poland</b>			<u>9,076,485</u>
<b>Singapore (8.1%)</b>			
Singapore Telecommunications, Ltd.	SGD	1,620,000	4,766,560
SIA Engineering Co., Ltd.	SGD	825,000	3,056,745
Keppel Corp., Ltd.	SGD	325,000	2,388,106
<b>Total Singapore</b>			<u>10,211,411</u>
<b>South Africa (4.5%)</b>			
Sanlam, Ltd.	ZAR	500,000	3,157,370
EOH Holdings, Ltd.	ZAR	260,000	2,536,884
<b>Total South Africa</b>			<u>5,694,254</u>
<b>South Korea (6.3%)</b>			
Dongsuh Co., Inc.	KRW	211,157	4,109,612
Sindoh Co., Ltd.	KRW	59,000	3,903,044
<b>Total South Korea</b>			<u>8,012,656</u>
<b>Taiwan (4.2%)</b>			
Taiwan Semiconductor Manufacturing Co., Ltd.	TWD	550,000	2,359,739
Taiwan Hon Chuan Enterprise Co., Ltd.	TWD	1,040,000	1,702,760



October 31, 2014 (Unaudited)

	Currency	Shares	Value
<b>Taiwan (continued)</b>			
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	USD	58,000	\$ 1,277,160
<b>Total Taiwan</b>			<u>5,339,659</u>
<b>Turkey (6.2%)</b>			
Aselsan Elektronik Sanayi Ve Ticaret AS	TRY	585,000	2,658,313
Ulker Biskuvi Sanayi AS	TRY	360,000	2,656,289
Arcelik AS	TRY	420,000	<u>2,579,353</u>
<b>Total Turkey</b>			<u>7,893,955</u>
<b>Vietnam (3.9%)</b>			
Bao Viet Holdings	VND	1,065,000	1,941,823
Nam Long Investment Corp.	VND	2,333,190	1,940,670
Vietnam National Reinsurance Corp.	VND	634,790	626,438
Dry Cell & Storage Battery JSC	VND	424,290	<u>476,529</u>
<b>Total Vietnam</b>			<u>4,985,460</u>
<b>TOTAL COMMON STOCKS</b> <b>(Cost \$104,171,081)</b>			<u>107,092,788</u>
<b>PREFERRED STOCKS (7.8%)</b>			
<b>Brazil (3.8%)</b>			
Banco Bradesco SA, ADR	USD	202,500	3,033,450
Vale SA	BRL	210,000	<u>1,826,345</u>
<b>Total Brazil</b>			<u>4,859,795</u>
<b>South Korea (4.0%)</b>			
Samsung Electronics Co., Ltd.	KRW	5,500	<u>5,069,101</u>
<b>Total South Korea</b>			<u>5,069,101</u>
<b>TOTAL PREFERRED STOCKS</b> <b>(Cost \$10,771,105)</b>			<u>9,928,896</u>

October 31, 2014 (Unaudited)

	Currency	Rate	Maturity Date	Principal Amount	Value
<b>FOREIGN CURRENCY CONVERTIBLE BONDS (2.2%)</b>					
<b>China / Hong Kong (2.2%)</b>					
ASM Pacific Technology, Ltd.	HKD	2.00%	03/28/19	20,000,000	\$ 2,817,483
<b>Total China / Hong Kong</b>					<u>2,817,483</u>
<b>TOTAL FOREIGN CURRENCY CONVERTIBLE BONDS (Cost \$2,763,230)</b>					
					<u>2,817,483</u>
<b>FOREIGN CURRENCY GOVERNMENT BONDS (2.7%)</b>					
<b>Brazil (1.0%)</b>					
Brazilian Government International Bond	BRL	10.25%	01/10/28	3,000,000	1,256,104
<b>Total Brazil</b>					<u>1,256,104</u>
<b>Indonesia (0.8%)</b>					
Indonesia Treasury Bond, Series FR70	IDR	8.38%	03/15/24	11,000,000,000	933,202
<b>Total Indonesia</b>					<u>933,202</u>
<b>Turkey (0.9%)</b>					
Turkey Government Bond	TRY	8.80%	09/27/23	2,500,000	1,144,467
<b>Total Turkey</b>					<u>1,144,467</u>
<b>TOTAL FOREIGN CURRENCY GOVERNMENT BONDS (Cost \$3,266,196)</b>					
					<u>3,333,773</u>
<b>USD CONVERTIBLE BONDS (1.0%)</b>					
<b>Singapore (1.0%)</b>					
Olam International, Ltd.	USD	6.00%	10/15/16	\$ 1,200,000	1,285,500
<b>Total Singapore</b>					<u>1,285,500</u>
<b>TOTAL USD CONVERTIBLE BONDS (Cost \$1,250,540)</b>					
					<u>1,285,500</u>

October 31, 2014 (Unaudited)

	Value
<b>TOTAL INVESTMENTS</b>	
<b>(Cost \$122,222,152) (98.2%)</b>	\$ 124,458,440
<b>Cash and Other Assets, Less Liabilities (1.8%)</b>	2,276,754
<b>NET ASSETS (100.0%)</b>	<b>\$ 126,735,194</b>

<sup>(a)</sup> *Non-income producing security.*

*Certain securities were fair valued in accordance with procedures established by the Fund's Board of Trustees (Note 2).*

#### **Currency Abbreviations**

BRL	- Brazil Real
CLP	- Chile Peso
HKD	- Hong Kong Dollar
IDR	- Indonesia Rupiah
INR	- India Rupee
JPY	- Japan Yen
KRW	- South Korea Won
MXN	- Mexico Peso
MYR	- Malaysia Ringgit
PLN	- Poland Zloty
SGD	- Singapore Dollar
TRY	- Turkey Lira
TWD	- Taiwan New Dollar
USD	- United States Dollar
VND	- Vietnam Dong
ZAR	- South Africa Rand

#### **Common Abbreviations:**

ADR	- American Depositary Receipt.
AS	- Anonim Sirketi, Joint Stock Company in Turkey.
Bhd	- Berhad, Public Limited Company in Malaysia.
JSC	- Joint Stock Company.
Ltd.	- Limited.
SA	- Generally designates corporations in various countries, mostly those employing the civil law. This translates literally in all languages mentioned as anonymous company.
SAB de CV	- A variable capital company.
Tbk PT	- Terbuka is the Indonesian term for limited liability company.

*Holdings are subject to change.*

*For Fund compliance purposes, the Fund's geographical classifications refer to any one or more of the sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine sub-classifications for reporting ease. Geographical regions are shown as a percentage of net assets.*

*See Accompanying Notes to Financial Statements.*

October 31, 2014 (Unaudited)

**ASSETS:**

Investments, at value	\$ 124,458,440
Cash	1,734,395
Foreign currency, at value (Cost \$355,402)	353,950
Receivable for investments sold	1,010,329
Receivable for shares sold	44,815
Interest and dividends receivable	305,563
Prepaid expenses and other assets	13,000
<b>Total Assets</b>	<b>127,920,492</b>

**LIABILITIES:**

Payable for investments purchased	976,224
Foreign capital gains tax	57,314
Administrative fees payable	14,718
Shareholder service plan fees payable	14,206
Payable for shares redeemed	12,905
Investment advisory fees payable	76,956
Trustee fees and expenses payable	409
Audit and tax fees payable	9,838
Accrued expenses and other liabilities	22,728
<b>Total Liabilities</b>	<b>1,185,298</b>

<b>NET ASSETS</b>	<b>\$ 126,735,194</b>
-------------------	-----------------------

**NET ASSETS CONSIST OF:**

Paid-in capital (Note 5)	\$ 122,827,726
Accumulated net investment income	209,853
Accumulated net realized gain on investments and foreign currency transactions	1,520,731
Net unrealized appreciation on investments and translation of assets and liabilities in foreign currencies	2,176,884

<b>NET ASSETS</b>	<b>\$ 126,735,194</b>
-------------------	-----------------------

<b>INVESTMENTS, AT COST</b>	<b>\$ 122,222,152</b>
-----------------------------	-----------------------

**PRICING OF SHARES****Investor Class:**

Net Asset Value, offering and redemption price per share	\$ 11.77
Net Assets	\$ 36,421,689
Shares of beneficial interest outstanding	3,094,347

**Institutional Class:**

Net Asset Value, offering and redemption price per share	\$ 11.79
Net Assets	\$ 90,313,505
Shares of beneficial interest outstanding	7,662,401

*See Accompanying Notes to Financial Statements.*

For the Six Months Ended October 31, 2014 (Unaudited)

**INVESTMENT INCOME:**

Dividends	\$ 1,468,561
Foreign taxes withheld on dividends	(97,676)
Interest and other income	169,923
Foreign taxes withheld on interest	(7,121)
<b>Total investment income</b>	<b>1,533,687</b>

**EXPENSES:**

Investment advisory fees (Note 6)	402,368
Administrative and transfer agency fees	104,073
Trustee fees and expenses	1,146
Registration/filing fees	17,536
Shareholder service plan fees	
Investor Class	18,199
Institutional Class	14,788
Recoupment of previously waived fees	
Investor Class	6,368
Legal fees	3,396
Audit fees	8,833
Reports to shareholders and printing fees	3,510
Custody fees	41,361
Miscellaneous	5,477
<b>Total expenses</b>	<b>627,055</b>
Less fees waived/reimbursed by investment advisor (Note 6)	
Institutional Class	(18,974)
<b>Total net expenses</b>	<b>608,081</b>

**NET INVESTMENT INCOME:**

	<b>925,606</b>
Net realized gain on investments	1,450,283
Net realized loss on foreign currency transactions	(129,571)
Net change in unrealized depreciation on investments (net of foreign capital gains tax of \$(15,800))	(1,090,446)
Net change in unrealized depreciation on translation of assets and liabilities in foreign currency transactions	(4,873)

**NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS AND FOREIGN CURRENCY TRANSLATIONS**

	<b>225,393</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$ 1,150,999</b>

See Accompanying Notes to Financial Statements.

## Seafarer Overseas Growth and Income Fund Statements of Changes in Net Assets

	For the Six Months Ended October 31, 2014 (Unaudited)	Year Ended April 30, 2014
<b>OPERATIONS:</b>		
Net investment income	\$ 925,606	\$ 790,512
Net realized gain on investments and foreign currency transactions	1,320,712	472,767
Net change in unrealized appreciation/(depreciation) on investments and foreign currency translations	(1,095,319)	474,336
Net increase in net assets resulting from operations	1,150,999	1,737,615
<b>DISTRIBUTIONS TO SHAREHOLDERS (NOTE 3):</b>		
From net investment income		
Investor Class	\$ (174,216)	\$ (585,611)
Institutional Class	(307,901)	(308,771)
From net realized gains on investments		
Investor Class	-	(654,807)
Institutional Class	-	(316,013)
Net decrease in net assets from distributions	(482,117)	(1,865,202)
<b>BENEFICIAL INTEREST TRANSACTIONS (NOTE 5):</b>		
Shares sold		
Investor Class	\$ 12,524,926	\$ 18,789,915
Institutional Class	46,374,009	41,977,026
Dividends reinvested		
Investor Class	171,355	1,190,349
Institutional Class	306,353	611,803
Shares Redeemed, net of redemption fees		
Investor Class	(3,770,183)	(18,143,918)
Institutional Class	(3,344,819)	(8,326,537)
Net increase in net assets derived from beneficial interest transactions	52,261,641	36,098,638
Net increase in net assets	\$ 52,930,523	\$ 35,971,051
<b>NET ASSETS:</b>		
Beginning of period	\$ 73,804,671	\$ 37,833,620
End of period (including accumulated net investment income/(loss) of \$209,853 and (\$233,636), respectively)	\$ 126,735,194	\$ 73,804,671

	For the Six Months Ended October 31, 2014 (Unaudited)	Year Ended April 30, 2014
<b>Other Information:</b>		
<b>SHARE TRANSACTIONS:</b>		
<b>Investor Class</b>		
Sold	1,051,678	1,651,517
Distributions reinvested	14,621	105,435
Redeemed	(319,156)	(1,622,659)
Net increase in shares outstanding	747,143	134,293
<b>Institutional Class</b>		
Sold	3,898,227	3,748,511
Distributions reinvested	26,117	54,211
Redeemed	(284,936)	(743,914)
Net increase in shares outstanding	3,639,408	3,058,808

*See Accompanying Notes to Financial Statements.*

For a share outstanding through the periods presented

Investor Class	For the Six Months Ended October 31, 2014 (Unaudited)		Year Ended April 30, 2014		Year Ended April 30, 2013		For the Period February 15, 2012 (Inception) to April 30, 2012
<b>NET ASSET VALUE, BEGINNING OF PERIOD</b>	\$	11.58	\$	11.91	\$	10.18	\$ 10.00
<b>INCOME FROM OPERATIONS:</b>							
Net investment income <sup>(a)</sup>		0.11		0.19		0.10	0.05
Net realized and unrealized gain on investments		0.15		0.02		1.74	0.13
Total from investment operations		0.26		0.21		1.84	0.18
<b>LESS DISTRIBUTIONS:</b>							
From net investment income		(0.07)		(0.26)		(0.11)	–
From net realized gains on investments		–		(0.28)		(0.00) <sup>(b)</sup>	–
Total distributions		(0.07)		(0.54)		(0.11)	–
<b>REDEMPTION FEES ADDED TO PAID IN CAPITAL</b>		0.00 <sup>(c)</sup>		0.00 <sup>(c)</sup>		0.00 <sup>(c)</sup>	–
<b>NET INCREASE/(DECREASE) IN NET ASSET VALUE</b>		0.19		(0.33)		1.73	0.18
<b>NET ASSET VALUE, END OF PERIOD</b>	\$	11.77	\$	11.58	\$	11.91	\$ 10.18
<b>TOTAL RETURN<sup>(d)</sup></b>		2.27%		1.93%		18.24%	1.80%
<b>SUPPLEMENTAL DATA:</b>							
Net assets, end of period (in 000s)	\$	36,422	\$	27,181	\$	26,348	\$ 1,443
<b>RATIOS TO AVERAGE NET ASSETS:</b>							
Operating expenses excluding reimbursement/waiver		1.34% <sup>(e)</sup>		1.78%		2.82%	18.96% <sup>(e)</sup>
Operating expenses including reimbursement/waiver		1.34% <sup>(e)(f)</sup>		1.40%		1.49%	1.60% <sup>(e)</sup>
Net investment income including reimbursement/waiver		1.77% <sup>(e)</sup>		1.66%		0.90%	2.61% <sup>(e)</sup>
<b>PORTFOLIO TURNOVER RATE<sup>(g)</sup></b>		13%		51%		39%	5%

<sup>(a)</sup> Calculated using the average shares method.<sup>(b)</sup> Less than \$(0.005) per share.<sup>(c)</sup> Less than \$0.005 per share.<sup>(d)</sup> Total returns are for the period indicated and have not been annualized. Total returns would have been lower had certain expenses not been waived during the period. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.<sup>(e)</sup> Annualized.<sup>(f)</sup> Effective September 1, 2014 the Advisor agreed to limit expenses to 1.25%.<sup>(g)</sup> Portfolio turnover rate for periods less than one full year have not been annualized.

See Accompanying Notes to Financial Statements.



For a share outstanding through the periods presented

	For the Six Months Ended October 31, 2014 (Unaudited)		Year Ended April 30, 2014	Year Ended April 30, 2013	For the Period February 15, 2012 (Inception) to April 30, 2012			
<b>Institutional Class</b>								
<b>NET ASSET VALUE, BEGINNING OF PERIOD</b>	\$	11.59	\$	11.91	\$	10.18	\$	10.00
<b>INCOME FROM OPERATIONS:</b>								
Net investment income <sup>(a)</sup>		0.11		0.21		0.14		0.04
Net realized and unrealized gain on investments		0.16		0.02		1.71		0.14
Total from investment operations		0.27		0.23		1.85		0.18
<b>LESS DISTRIBUTIONS:</b>								
From net investment income		(0.07)		(0.27)		(0.12)		–
From net realized gains on investments		–		(0.28)		(0.00) <sup>(b)</sup>		–
Total distributions		(0.07)		(0.55)		(0.12)		–
<b>REDEMPTION FEES ADDED TO PAID IN CAPITAL</b>		0.00 <sup>(c)</sup>		0.00 <sup>(c)</sup>		0.00 <sup>(c)</sup>		–
<b>NET INCREASE/(DECREASE) IN NET ASSET VALUE</b>		0.20		(0.32)		1.73		0.18
<b>NET ASSET VALUE, END OF PERIOD</b>	\$	11.79	\$	11.59	\$	11.91	\$	10.18
<b>TOTAL RETURN<sup>(d)</sup></b>		2.38%		2.12%		18.33%		1.80%
<b>SUPPLEMENTAL DATA:</b>								
Net assets, end of period (in 000s)	\$	90,314	\$	46,624	\$	11,486	\$	1,346
<b>RATIOS TO AVERAGE NET ASSETS:</b>								
Operating expenses excluding reimbursement/waiver		1.22% <sup>(e)</sup>		1.61%		2.88%		21.65% <sup>(e)</sup>
Operating expenses including reimbursement/waiver		1.17% <sup>(e)(f)</sup>		1.25%		1.35%		1.45% <sup>(e)</sup>
Net investment income including reimbursement/waiver		1.91% <sup>(e)</sup>		1.89%		1.28%		2.00% <sup>(e)</sup>
<b>PORTFOLIO TURNOVER RATE<sup>(g)</sup></b>		13%		51%		39%		5%

<sup>(a)</sup> Calculated using the average shares method.<sup>(b)</sup> Less than \$(0.005) per share.<sup>(c)</sup> Less than \$0.005 per share.<sup>(d)</sup> Total returns are for the period indicated and have not been annualized. Total returns would have been lower had certain expenses not been waived during the period. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.<sup>(e)</sup> Annualized.<sup>(f)</sup> Effective September 1, 2014 the Advisor agreed to limit expenses to 1.05%.<sup>(g)</sup> Portfolio turnover rate for periods less than one full year have not been annualized.

See Accompanying Notes to Financial Statements.

*October 31, 2014 (Unaudited)*

## I. ORGANIZATION

Financial Investors Trust (the "Trust"), a Delaware statutory trust, is an open-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act"). As of October 31, 2014, the Trust had 32 registered funds. This semi-annual report describes the Seafarer Overseas Growth and Income Fund (the "Fund"). The Fund seeks to provide long-term capital appreciation along with some current income; it also seeks to mitigate adverse volatility in returns as a secondary objective. The Fund offers Investor Class and Institutional Class shares. All classes of shares have identical rights to earnings, assets and voting privileges, except for class specific expenses and exclusive rights to vote on matters affecting only individual classes.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The Fund is considered an investment company for financial reporting purposes under GAAP. The following is a summary of significant accounting policies consistently followed by the Fund in preparation of its financial statements.

**Investment Valuation:** The Fund generally values its securities based on market prices determined at the close of regular trading on the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern Time, on each day the NYSE is open for trading.

For equity securities and mutual funds that are traded on an exchange, the market price is usually the closing sale or official closing price on that exchange. In the case of equity securities not traded on an exchange, or if such closing prices are not otherwise available, the securities are valued at the mean of the most recent bid and ask prices on such day. Redeemable securities issued by open-end registered investment companies are valued at the investment company's applicable net asset value, with the exception of exchange-traded open-end investment companies, which are priced as equity securities.

Equity securities that are primarily traded on foreign securities exchanges are valued at the closing values of such securities on their respective foreign exchanges, except when an event occurs subsequent to the close of the foreign exchange but before the close of the NYSE, such that the securities' value would likely change. In such an event, the fair values of those securities are determined in good faith through consideration of other factors in accordance with procedures established by and under the general supervision of the Board of Trustees (the "Board"). The Fund will use a fair valuation model provided by an independent pricing service, which is intended to reflect fair value when a security's value or a meaningful portion of the Fund's portfolio is believed to have been materially affected by a valuation event that has occurred between the close of the exchange or market on which the security is traded and the close of the regular trading day on the NYSE. The Fund's valuation procedures set forth certain triggers that inform the Fund when to use the fair valuation model.

The market price for debt obligations is generally the price supplied by an independent third-party pricing service approved by the Board which may use a matrix, formula or other objective method that takes into consideration quotations from dealers, market transactions in comparable investments, market indices and yield curves. If vendors are unable to supply a price, or if the price supplied is deemed to be

*October 31, 2014 (Unaudited)*

unreliable, the market price may be determined using quotations received from one or more broker-dealers that make a market in the security. Short-term debt obligations that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value.

Forward currency exchange contracts have a market value determined by the prevailing foreign currency exchange daily rates and current foreign currency exchange forward rates. The foreign currency exchange forward rates are calculated using an automated system that estimates rates on the basis of the current day foreign currency exchange rates and forward foreign currency exchange rates supplied by a pricing service.

When such prices or quotations are not available, or when the Fair Value Committee appointed by the Board believes that they are unreliable, securities may be priced using fair value procedures approved by the Board.

Certain foreign countries impose a tax on capital gains which is accrued by the Fund based on unrealized appreciation, if any, on affected securities. The tax is paid when the gain is realized.

**Fair Value Measurements:** The Fund discloses the classification of its fair value measurements following a three-tier hierarchy based on the inputs used to measure fair value. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Such inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability, which are developed based on the information available and the reporting entity's best efforts to interpret such information.

Various inputs are used in determining the value of the Fund's investments as of the end of the reporting period. When inputs used fall into different levels of the fair value hierarchy, the level in the hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments. These inputs are categorized in the following hierarchy under applicable financial accounting standards:

- Level 1 – Unadjusted quoted prices in active markets for identical investments, unrestricted assets or liabilities that a Fund has the ability to access at the measurement date;
- Level 2 – Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 – Significant unobservable prices or inputs (including the Fund's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

October 31, 2014 (Unaudited)

The following is a summary of each input used to value the Fund as of October 31, 2014:

Investments in Securities at Value <sup>(a)</sup>	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stocks	\$ 107,092,788	\$ —	\$ —	\$ 107,092,788
Preferred Stocks	9,928,896	—	—	9,928,896
Foreign Currency				
Convertible Bonds	—	2,817,483	—	2,817,483
Foreign Currency				
Government Bonds	—	3,333,773	—	3,333,773
USD Convertible Bonds	—	1,285,500	—	1,285,500
<b>Total</b>	<b>\$ 117,021,684</b>	<b>\$ 7,436,756</b>	<b>\$ —</b>	<b>\$ 124,458,440</b>

<sup>(a)</sup> For detailed descriptions of countries, see the accompanying Portfolio of Investments.

The Fund recognizes transfers between levels as of the end of the period. For the six months ended October 31, 2014, the Fund did not have any securities that used significant unobservable inputs (Level 3) in determining fair value.

Security amounts the Fund transferred between Levels 1 and 2 at October 31, 2014 were as follows:

	Level 1 - Quoted Prices		Level 2 - Other Significant Observable Inputs	
	Transfers In	Transfers (Out)	Transfers In	Transfers (Out)
Common Stocks	\$ 57,735,165	\$ —	\$ —	\$ (57,735,165)
Preferred Stocks	5,069,101	—	—	(5,069,101)
<b>Total</b>	<b>\$ 62,804,266</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (62,804,266)</b>

The above transfers were due to the Fund utilizing a fair value evaluation service with respect to international securities with an earlier market closing than the Fund's net asset value computation cutoff. When events trigger the use of the fair value evaluation service on a reporting date, it results in certain securities transferring from a Level 1 to a Level 2.

**Investment Transactions and Investment Income:** Investment transactions are accounted for on the date the investments are purchased or sold (trade date). Realized gains and losses from investment transactions are reported on an identified cost basis. Interest income, which includes accretion of discounts and amortization of premiums, is accrued and recorded as earned. Dividend income is recognized on the ex-dividend date or for certain foreign securities, as soon as information is available to the Fund. All of the realized and unrealized gains and losses and net investment income are allocated daily to each class in proportion to its average daily net assets.

**Foreign Securities:** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible reevaluation of currencies, the inability to repatriate foreign currency, less complete financial information about companies and possible future adverse political

*October 31, 2014 (Unaudited)*

and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

**Foreign Currency Translation:** The books and records of the Fund are maintained in U.S. dollars. Investment valuations and other assets and liabilities initially expressed in foreign currencies are converted each business day into U.S. dollars based upon current exchange rates. Prevailing foreign exchange rates may generally be obtained at the close of the NYSE (normally, 4:00 p.m. Eastern time). The portion of realized and unrealized gains or losses on investments due to fluctuations in foreign currency exchange rates is not separately disclosed and is included in realized and unrealized gains or losses on investments, when applicable.

**Foreign Currency Spot Contracts:** The Fund may enter into foreign currency spot contracts to facilitate transactions in foreign securities or to convert foreign currency receipts into U.S. dollars. A foreign currency spot contract is an agreement between two parties to buy and sell currencies at the current market rate, for settlement generally within two business days. The U.S. dollar value of the contracts is determined using current currency exchange rates supplied by a pricing service. The contract is marked-to-market daily for settlements beyond one day and any change in market value is recorded as an unrealized gain or loss. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value on the open and close date. Losses may arise from changes in the value of the foreign currency, or if the counterparties do not perform under the contract's terms. The maximum potential loss from such contracts is the aggregate face value in U.S. dollars at the time the contract was opened.

**Trust Expenses:** Some expenses of the Trust can be directly attributed to the Fund. Expenses which cannot be directly attributed to the Fund are apportioned among all funds in the Trust based on average net assets of each fund.

**Fund and Class Expenses:** Expenses that are specific to the Fund or class of shares of the Fund are charged directly to the Fund or share class. All expenses of the Fund, other than class specific expenses, are allocated daily to each class in proportion to its average daily net assets. Fees provided under the shareholder service plans for a particular class of the Fund are charged to the operations of such class.

**Federal Income Taxes:** The Fund complies with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and intends to distribute substantially all of its net taxable income and net capital gains, if any, each year so that it will not be subject to excise tax on undistributed income and gains. The Fund is not subject to income taxes to the extent such distributions are made.

As of and during the six months ended October 31, 2014, the Fund did not have a liability for any unrecognized tax benefits. The Fund files U.S. federal, state, and local tax returns as required. The Fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return for federal purposes and four years for most state returns. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

**Distributions to Shareholders:** The Fund normally pays dividends from net investment income, if any, on a semi-annual basis. The Fund normally distributes capital gains, if any, on an annual basis. Income dividend distributions are derived from interest and other income the Fund receives from its investments, including short term capital gains. Long term capital gain distributions are derived from

October 31, 2014 (Unaudited)

gains realized when the Fund sells a security it has owned for more than one year. The Fund may make additional distributions and dividends at other times if the adviser believes doing so may be necessary for the Fund to avoid or reduce taxes.

### 3. TAX BASIS INFORMATION

**Tax Basis of Investments:** As of October 31, 2014, the aggregate cost of investments, gross unrealized appreciation/ (depreciation) and net unrealized appreciation for Federal tax purposes were as follows:

	Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Depreciation on Foreign Currencies	Net Unrealized Appreciation
Seafarer Overseas Growth and Income Fund	\$ 123,476,202	\$ 7,254,454	\$ (6,272,216)	\$ -	\$ 982,238

**Tax Basis of Distributions to Shareholders:** The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain is recorded by the Fund.

The tax character of distributions paid by the Fund for the fiscal year ended April 30, 2014, were as follows:

	Ordinary Income	Long-Term Capital Gain
Seafarer Overseas Growth and Income Fund	\$ 1,543,197	\$ 322,005

The amounts and characteristics of tax basis distributions and composition of distributable earnings/(accumulated losses) are finalized at fiscal year-end. Accordingly, tax basis balances have not been determined as of October 31, 2014.

### 4. SECURITIES TRANSACTIONS

The cost of purchases and proceeds from sales of securities excluding short term securities during the six months ended October 31, 2014, were as follows:

	Purchases of Securities	Proceeds From Sales of Securities
Seafarer Overseas Growth and Income Fund	\$ 64,741,318	\$ 12,684,227

### 5. SHARES OF BENEFICIAL INTEREST

The capitalization of the Trust consists of an unlimited number of shares of beneficial interest with no par value per share. Holders of the shares of the Fund of the Trust have one vote for each share held

October 31, 2014 (Unaudited)

and a proportionate fraction of a vote for each fractional share. All shares issued and outstanding are fully paid and are non-assessable, transferable and redeemable at the option of the shareholder. Shares have no pre-emptive rights.

Shares redeemed within 90 days of purchase may incur a 2% short-term redemption fee deducted from the redemption amount. The redemption fee is reflected in the "Shares redeemed, net of redemption fees" in the Statements of Changes in Net Assets. During the six months ended October 31, 2014, and the year ended April 30, 2014, the Fund retained the following redemption fees:

Fund	For the Six Months Ended October 31, 2014 (Unaudited)	For the Year Ended April 30, 2014
Seafarer Overseas Growth and Income Fund - Investor	\$ 2,048	\$ 9,035
Seafarer Overseas Growth and Income Fund - Institutional	\$ 2,452	\$ 3,790

## 6. MANAGEMENT AND RELATED-PARTY TRANSACTIONS

Seafarer Capital Partners, LLC (the "Adviser"), subject to the authority of the Board, is responsible for the overall management and administration of the Fund's business affairs. The Adviser manages the investments of the Fund in accordance with the Fund's investment objective, policies, limitations and investment guidelines established jointly by the Adviser and the Trustees. Pursuant to the Advisory Agreement (the "Advisory Agreement"), the Fund pays the Adviser an annual management fee based on the Fund's average daily net assets. The management fee is paid on a monthly basis. From the inception of the Fund through August 31, 2014, the Fund paid the Adviser an annual management fee of 0.85%. Effective January 15, 2013, the Adviser voluntarily agreed to waive a portion of its annual management fee payable by the Fund so that such fee was reduced to 0.75%. This voluntary arrangement expired on August 31, 2013. Effective September 1, 2014, the Adviser contractually agreed to reduce its annual management fee to 0.75%.

From the inception of the Fund through August 31, 2013, the Adviser contractually agreed to limit certain Fund expenses (exclusive of acquired fund fees and expenses, brokerage expenses, interest expenses, taxes and extraordinary expenses) to 1.60% and 1.45% of the Fund's average daily net assets in the Investor and Institutional share classes, respectively. Effective January 15, 2013, the Adviser voluntarily agreed to further limit such Fund expenses to 1.40% and 1.25% of the Fund's average daily net assets in the Investor and Institutional share classes, respectively. Effective September 1, 2013, the Adviser contractually agreed to limit certain Fund expenses (exclusive of brokerage expenses, interest expenses, taxes and extraordinary expenses) to 1.40% and 1.25% of the Fund's average daily net assets in the Investor and Institutional share classes, respectively, through August 31, 2014. Effective September 1, 2014, the Adviser contractually agreed to limit such Fund expenses to 1.25% and 1.05% of the Fund's average daily net assets in the Investor and Institutional share classes, respectively, through August 31, 2015, at which point this agreement may be extended further. The Fund may have to repay some of these waivers and reimbursements to the Adviser in the following three years. Pursuant to the expense limitation agreement between the Adviser and the Trust, the Fund will reimburse the Adviser for any contractual fee waivers and expense reimbursements made by the Adviser, provided that any such reimbursements made by the Fund to the Adviser will not cause the Fund's expense limitation to exceed expense limitations in existence at the time the expense was incurred, or at the time of the reimbursement, whichever is lower, and the

October 31, 2014 (Unaudited)

reimbursement is made within three years after the end of the fiscal year in which fees or expenses were incurred.

For the six months ended October 31, 2014, the fee waivers and/or reimbursements were as follows:

Fund	Fees Waived/ Reimbursed By Adviser	Total
Seafarer Overseas Growth and Income Fund		
Institutional Class	\$ 18,974	\$ 18,974

As of October 31, 2014, the balances of recoupable expenses for each class were as follows:

Fund	Expires 2015	Expires 2016	Expires 2017	Total
Seafarer Overseas Growth and Income Fund				
Investor Class	\$ 22,136	\$ 177,710	\$ 89,143	\$ 288,989
Institutional Class	51,869	78,354	66,379	196,602

### Fund Administrator Fees and Expenses

ALPS Fund Services, Inc. ("ALPS" and the "Administrator") (an affiliate of ALPS Distributors, Inc.) provides administrative, fund accounting and other services to the Fund under the Administration, Bookkeeping and Pricing Services Agreement with the Trust. Under this Agreement, ALPS is paid fees by the Fund, accrued on a daily basis and paid on a monthly basis following the end of the month, based on the greater of (a) an annual total fee of \$143,000 (subject to an annual cost of living increase), or (b) the following fee schedule:

Average Total Net Assets	Contractual Fee
Between \$0-\$500M	0.05%
\$500M-\$1B	0.03%
Above \$1B	0.02%

The Administrator is also reimbursed by the Fund for certain out-of-pocket expenses.

### Transfer Agent

ALPS serves as transfer, dividend paying and shareholder servicing agent for the Fund ("Transfer Agent"). ALPS is compensated based upon a \$25,000 annual base fee for the Fund, and annually \$9 per direct open account and \$7 per open account through NSCC. The Transfer Agent is also reimbursed by the Fund for certain out-of-pocket expenses.

### Compliance Services

ALPS provides services that assist the Trust's chief compliance officer in monitoring and testing the policies and procedures of the Trust in conjunction with requirements under Rule 38a-1 under the 1940 Act under the Chief Compliance Officer Services Agreement with the Trust. Under this Agreement, the Adviser pays ALPS an annual base fee of \$30,000 and reimburses ALPS for certain out-of-pocket expenses.



*October 31, 2014 (Unaudited)***Principal Financial Officer**

ALPS provides principal financial officer services to the Fund under the principal financial officer Services Agreement with the Trust. Under this Agreement, the Adviser pays ALPS an annual base fee of \$10,000 and reimburses ALPS for certain out-of-pocket expenses.

**Distributor**

ALPS Distributors, Inc. ("ADI" or the "Distributor") (an affiliate of ALPS) acts as the distributor of the Fund's shares pursuant to the Distribution Agreement with the Trust. Under a side letter agreement, the Adviser pays ADI an annual base fee of \$12,000 for the distribution services. The Adviser also reimburses ADI for certain out-of-pocket expenses. Shares are sold on a continuous basis by ADI as agent for the Fund, and ADI has agreed to use its best efforts to solicit orders for the sale of the Fund's shares, although it is not obliged to sell any particular amount of shares. ADI is registered as a broker-dealer with the Securities and Exchange Commission.

**Shareholder Service Plan for Investor Class and Institutional Class Shares**

The Fund has adopted a shareholder service plan (a "Service Plan") for each of its share classes. Under the Service Plan, the Fund is authorized to enter into shareholder service agreements with investment advisors, financial institutions and other service providers ("Participating Organizations") to maintain and provide certain administrative and servicing functions in relation to the accounts of shareholders. The Service Plan will cause the Fund to pay an aggregate fee, not to exceed on an annual basis 0.15% and 0.05% of the average daily net asset value of the Investor and Institutional share classes, respectively. Such payment will be made on assets attributable to or held in the name of a Participating Organization, on behalf of its clients as compensation for providing service activities pursuant to an agreement with a Participating Organization. Any amount of such payment not paid during the Fund's fiscal year for such service activities shall be reimbursed to the Fund as soon as practicable after the end of the fiscal year.

**7. INDEMNIFICATIONS**

Under the Trust's organizational documents, its officers and Trustees are indemnified against certain liability arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust enters into contracts with service providers that may contain general indemnification clauses, which may permit indemnification to the extent permissible under the applicable law. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred.

*October 31, 2014 (Unaudited)*

## I. FUND HOLDINGS

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-Q within 60 days after the end of the period. Copies of the Fund's Form N-Q are available without charge on the SEC website at <http://www.sec.gov>. You may also review and copy the Form N-Q at the SEC's Public Reference Room in Washington, D.C. For more information about the operation of the Public Reference Room, please call the SEC at 1-800-SEC-0330.

## 2. FUND PROXY VOTING POLICIES, PROCEDURES AND SUMMARIES

The Fund's policies and procedures used in determining how to vote proxies and information regarding how the Fund voted proxies relating to portfolio securities during the most recent prior 12-month period ending June 30 are available without charge, (1) upon request, by calling toll-free (855) 732-9220 and (2) on the SEC's website at <http://www.sec.gov>.





P.O. Box 44474  
Denver, Colorado 80201  
(855) 732-9220  
[seafarerfunds.com](http://seafarerfunds.com)

*Seafarer Funds distributed by ALPS Distributors, Inc.  
Must be accompanied or preceded by a prospectus.*