SEAFARER FUNDS

Seafarer Overseas Growth and Income Fund

Investor Class SFGIX
Institutional Class SIGIX

SEMI-ANNUAL REPORT

October 31, 2013

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LETTER TO SHAREHOLDERS

November 14, 2013

Dear Fellow Shareholders,

I am once again pleased to address you 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, 2013).

During the semi-annual period, the Fund's Investor and Institutional shares gained 0.90% and 1.00%, respectively. The Fund's benchmark, the MSCI Emerging Markets Total Return Index[1], rose 1.42%. By way of broader comparison, the S&P 500® Total Return Index[2] increased 11.14%.

The Fund's two share classes began the fiscal year with net asset values of $11.91 per share. Near the end of June, each class paid a semi-annual distribution; $0.145 per share was paid to the Investor class, and $0.147 per share to the Institutional class. Those payments brought the cumulative distributions per share (as measured from the Fund's inception[3]) to $0.256 and $0.269, respectively. The Investor Class finished the semi-annual period with a value of $11.86 per share, while the Institutional Class finished with $11.87 per share.

Time and Perspective

2013 has not been a particularly rewarding year for those investing in the emerging markets. Stocks in the developing world have been volatile, and when measured year-to-date, they have produced only modest gains. Emerging market bonds and currencies have fared worse. Economic performance and corporate profits have disappointed many investors, especially those that held outsized – if unrealistic – expectations for growth. The developing world has provided plenty of cause for frustration; yet the greatest source of dissatisfaction has been the implicit "opportunity cost" of sustaining an investment there. Equities in the developed markets have performed exceedingly well, led by the U.S. The foregone opportunity to invest in the U.S. has come at a high cost, especially when compensated by the anemic performance of the emerging markets.

Yet, as frustrating as this year has been, I do not think it matters much to the long-term investor with an objective perspective. I do not state this flippantly. I know that some investors cannot afford to wait for the ephemeral and eternally-rosy "long-term" to finally arrive. The global financial crisis of 2008 inflicted terrible damage on some investors' portfolios, and their retirements loom. I will never lose sight of their predicament, even as I would never counsel that any of them try to make up for lost time by gambling on a short-term, high-risk investment in the emerging markets. Nevertheless, I believe investors are better off to preserve their patience and a sense of perspective.

Time and perspective are two of the most valuable tools that investors can possess (along with financial acumen). Perspective allows investors to put events in context, to frame decisions with data and facts, and to de-emphasize emotion and bias. Time allows sufficient room for careful decisions to operate as intended, usually for the better. Both are luxuries within the financial world, always in short supply.

Yet both are essential now: a great deal of change is taking place in the emerging markets; but the change is incremental and difficult to perceive. That difficulty is heightened by the modern world in which we live. Anyone modestly exposed to mass-market financial media is bombarded with headlines about the paucity of growth in the developing world (true, but in reality it has been so for several years) and the fragility of emerging market currencies versus the dollar (ditto). We are inundated with data and information, yet we perceive most of it without the benefit of substantive analysis. The constant barrage places us under a perverse sort of pressure. We may feel an imperative to profit by the abundance of data; we may be goaded into churning our portfolios, chasing whatever is performing well today. To do otherwise may be perceived as a type of negligence, a failure to safeguard our financial security.

This sort of data-rich / analysis-poor environment is the anathema of a disciplined investor. It impedes any sense of perspective or scale; it undermines patience. It also poses special challenges for the emerging market investor. While financial success is judged instantly, economic development unfolds slowly, in fits and starts. By definition, the emerging markets are situated in a basic state of development; investors seek to capitalize on their progress over time. Yet most of the advances that spur such progress are nearly imperceptible, frustratingly complex, and slow in gestation. So it has been this year in the developing world. Headlines have centered on slowing economies, frail currencies, distressed commodity markets, and riots in the streets. The resulting clamor masks the change that is underway.

A Change in the Model

As discussed at the outset of this letter, there are many reasons why emerging markets have struggled this year; but the most important of these is the paucity of growth. Certainly, there are a handful of smaller markets that seem to be expanding rapidly. Yet apart from these peripheral countries, the developing world is no longer growing as fast as it once did. In evidence of the deceleration, the International Monetary Federation (IMF) recently downgraded its 2013 growth forecast for the developing world to 4.5%.[4] This was 0.5% lower than the original forecast; but more importantly, it signaled the slowest expansion in over a decade (except for the period immediately following the global financial crisis). The IMF cited “bottlenecks” in infrastructure, labor markets, and investment as reasons for the decline.[5]

I agree that “bottlenecks” are the proximate cause for the deceleration, but I go further still: the real reason that growth has slowed is because the economic model that spurred development is beginning to approach its natural limits. The developing world has realized a great deal of growth over the past two decades because successful countries chose (to varying degrees) to de-regulate their markets and open themselves to trade, competition and investment. In the process, such countries relied on an economic model that was either extraction-based (i.e., mining or cultivating natural resources) or manufacturing-based (i.e., export-oriented production). We all know the subsequent story: the emerging markets pulled themselves out of the depths of poverty by either making stuff, or by pulling stuff out of the ground, and then selling it to the rest of the world. Yet today, that economic model is constrained. Trade flows are highly integrated around the world; while further integration is certainly possible, the marginal benefit from doing so is likely in decline. Meanwhile, developing countries have realized substantial gains in their living standards; an export-oriented growth model that relies on cheap inputs, cheap capital, and cheap labor is increasingly outmoded and unviable. If the emerging markets are to expand at a rate anything near their former pace, the economic model must change.

What You See Is All There Is

Fortunately, I can attest that Seafarer’s research indicates important changes are underway. In brief: the emerging markets have begun to transition from an economic model that is highly dependent on external demand (i.e., exporting resources and manufactured goods) to one that emphasizes internal demand (domestic consumption, and especially domestic services). The transition is a complex one, and I have discussed it in other commentaries,[6] so I won’t revisit it here.

Instead, I will discuss how difficult it is for most investors to observe the subtleties of the current transition. The shift from an export-oriented model to a domestic one does not occur quickly; it rarely makes headlines, and the gradual nature of transition means it does not suddenly dominate economic statistics. Yet change is taking place across much of the developing world. Even China, famous for its export-led growth, is shifting toward a new model.

Over the past decade, China’s tertiary (domestic services) sector has grown substantially faster than both the primary sector (agriculture and resources) and the secondary sector (manufacturing and construction). At the end of 2012, services already represented roughly 44% of the country’s total economic output. If the sector’s growth continues a few more years, services will soon eclipse manufacturing as the largest component of the Chinese economy.[7] Yet China’s service-centric future is contrary to predominant economic narratives about the country, which emphasize the importance of the manufacturing and construction sectors. The challenge is for investors to possess sufficient time and perspective to observe the transition at work, rather than rely on outdated narratives.

That challenge is heightened in the context of stock markets. Within the developed world, investors routinely rely upon stock indices to convey information about the underlying market's scale, performance and change. However, in the emerging markets, the prevailing benchmark indices are designed in a manner that does not capture structural change very well.

At a fundamental level, stock indices are supposed to serve two main functions: they are meant to represent the breadth and depth of a given market, and to measure that market's performance. Unfortunately, indices for the emerging market are drawn up in a manner that subordinates these two classic objectives. They emphasize liquidity and scalability in place of representation and measurement.[8] The upshot of this is that the indices might fail to pick up on the subtle shifts in an economy. Prevailing indices place special emphasis on liquid, scalable, large-capitalization companies; these are the same companies that were responsible for the historical growth of the emerging markets (i.e., resources, manufacturing, exports), and they are not necessarily the same ones that represent the future (consumption and services).

In his book *Thinking, Fast and Slow*, the eminent behavioral scientist Daniel Kahneman introduces a concept called "WYSIATI." The acronym stands for "what you see is all there is."[9] WYSIATI refers to a fallacy of perception, whereby human beings naturally assume that what they initially see or perceive is all that matters. WYSIATI impairs judgment: it means that decisions are based on inadequate data, and conclusions are developed without sufficient context.

I think WYSIATI is inherent to some investors' understanding of the prevailing benchmark indices. By design, such indices exclude a large portion of the market capitalization associated with the emerging markets. Yet those investors assume, based on WYSIATI, that the indices offer an unbiased representation of the depth and breadth of the market. The data suggest otherwise. The following table presents the portion of market capitalization that a major index[10] purports to measure, versus Seafarer's estimates of total, unadjusted capitalization.

	TOTAL CAPITALIZATION			MSCI EMERGING MARKETS INDEX			
	% Weight	Capitalization ($ Billion)	Number of Constituents	% Weight	Capitalization ($ Billion)	Number of Constituents	% of Total Capitalization Tracked
Domestic Services + Non-Bank Financial Services + Consumption	46%	$5,418	1,855	42%	$1,611	408	**30%**
Commercial Banks + Property	20%	$2,368	489	21%	$794	135	**34%**
Energy + Commodities	22%	$2,561	569	22%	$834	158	**33%**
Manufacturing + Industrial Goods	12%	$1,395	561	16%	$598	116	**43%**
Total	**100%**	**$11,743**	**3,474**	**100%**	**$3,837**	**817**	**33%**

Sources: MSCI, Bloomberg, Factset, Seafarer. Data as of 11/19/13.
Note: "Total Capitalization" includes only companies with equity capitalizations in excess of $250 million. Excludes Chinese A-Shares; however, Hong Kong-listed companies with substantial exposure to China are included.

As is evident in the table, the index represents only 33% of the estimated total capitalization present in the developing world. Perhaps more importantly, the index captures only 30% of the category entitled "Domestic Services + Non-Bank Financial Services + Consumption" – the very category where I believe the greatest structural change is taking place, and which (arguably) represents the future of the developing world. The index is somewhat more representative of the other three categories; yet these three (arguably) represent the emerging markets' past and not their future.

In conclusion, WYSIATI poses a serious challenge to the emerging market investor – especially right now, at a time of structural change. The current economic transition is too slow and subtle to be obvious. Meanwhile, any spillover effect on stocks may be partially (or wholly) obscured by the index; the industries at the forefront of transition might not receive adequate representation, at least not at the present time. I think investors must lean heavily on their most useful tools – time and perspective – if they wish to overcome the WYSIATI fallacy. Doing so will not be easy: it will require persistence and patience, sometimes in the face of disappointing returns. Seafarer is up for the challenge.

Thank you for entrusting us with your capital. We are honored to act as your investment adviser.

Andrew Foster
Chief Investment Officer
Seafarer Capital Partners, LLC

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 herein. The subject matter contained herein has been derived from several sources believed to be reliable and accurate at the time of compilation. Seafarer does not accept any liability for losses either direct or consequential caused by the use of this information.

[1] *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.*

[2] *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.*

[3] *The Fund's inception date is February 15, 2012.*

[4] *IMF, "Global Growth Patterns Shifting, Says IMF WEO," 8 October 2013 (www.imf.org/external/pubs/ft/survey/so/2013/new100813a.htm).*

[5] *IMF, "Global Growth Patterns Shifting, Says IMF WEO," 8 October 2013 (www.imf.org/external/pubs/ft/survey/so/2013/new100813a.htm).*

[6] *For further information on this transition, please see the Letter to Shareholders dated November 12, 2012 (www.seafarerfunds.com/fund/shareholder-letter/2012/10/semi-annual).*

[7] *National Bureau of Statistics of China (www.stats.gov.cn/english).*

[8] *MSCI Barra acknowledges that its indices place "a strong emphasis on investability" [whether a security can be purchased by a foreign investor without impediment] "and replicability" [whether a security can be purchased in large quantities] "through the use of size and liquidity screens." Please see: MSCI Barra, "MSCI Global Investable Market Indices Methodology," May 2013, page 10.*

[9] *Daniel Kahneman, Thinking, Fast and Slow (2013), chapter 7, page 84.*

[10] *The MSCI Standard Emerging Markets Index.*

PORTFOLIO REVIEW

November 14, 2013

During the first half of the Fund's fiscal year (May 1 to October 31, 2013), the Seafarer Overseas Growth and Income Fund gained 0.90% and 1.00% for the Investor and Institutional share classes, respectively. The Fund's benchmark, the MSCI Emerging Markets Total Return Index, rose 1.42%. By way of broader comparison, the S&P 500® Total Return Index increased 11.14%.

The Fund's two share classes began the fiscal year with net asset values of $11.91 per share. Near the end of June, each class paid a semi-annual distribution; $0.145 was paid to the Investor class, and $0.147 to the Institutional class. Those payments brought the cumulative distributions per share (as measured from the Fund's inception[1]) to $0.256 and $0.269, respectively. The Investor Class finished the semi-annual period with a value of $11.86 per share, while the Institutional Class finished with $11.87.

Performance

The relatively muted performances of the Fund and the benchmark index belie what was in fact a volatile semi-annual period. Emerging market stocks, bonds and currencies all swung sharply lower, and there were few safe havens. To illustrate: between April 30 and June 24 – less than two months into the new fiscal year – the benchmark index fell over 14% in U.S. dollar terms.[2] Though the index eventually recovered from that nadir, the last six months took investors on a wild ride.

The obvious trigger for the volatility was the May 22 testimony of Ben Bernanke, Chairman of the U.S. Federal Reserve. In remarks directed at a special committee of the U.S. Congress, Chairman Bernanke suggested that, if the U.S. economy continues to strengthen, and if the country's unemployment continues to decline, the central bank might gradually curtail its large-scale asset purchase program (otherwise known as "quantitative easing").[3] Bernanke's statement was carefully worded, reasonable, and expected by most observers; nevertheless, it sent shockwaves through financial markets, as investors interpreted the comments to mean that interest rates could soon lift off from their ultra-low levels.

The emerging markets took Bernanke's comments badly, and all asset classes – especially currencies – plunged. The market's verdict was clear; investors were unnerved by the mere prospect of higher rates. Yet why was this so? Rates go up, and rates go down. How could a modest increase in U.S. rates undermine the growth story of the developing world?

Bernanke's words knocked the wind out of the emerging world for two reasons. First, growth in corporate revenues and profits has been tepid over the past few years, especially in the larger, so-called "BRIC" markets (Brazil, Russia, India and China). This weak corporate performance has disappointed investors, many of whom harbored high (and misplaced) expectations for growth in the developing world. Investors were already wary about the outlook for emerging markets; Bernanke's words only intensified those concerns, as higher interest rates were deemed to be yet another impediment to growth.

Second, until recently, emerging market currencies had been in vogue, but their strength was deceptive. Bernanke's testimony signaled only a modest change to Fed policy; yet that small shift was still enough to bolster the dollar and cause emerging currencies to swoon. The benchmark index also fell sharply after Bernanke's speech; but what is perhaps less obvious is that over one-third of the decline was due to currency movements, as opposed to falling stock prices.[4]

Still, the index managed to finish the semi-annual period in positive territory because a handful of stock markets – mostly larger ones – managed to stage recoveries, even as the majority of the emerging markets remained mired in losses. China, Russia, South Africa and Korea all rallied from their lows, ultimately finishing higher; meanwhile, Chile, India, Indonesia, Thailand, Turkey and the Philippines all closed sharply lower.[5]

Amid the turmoil, China's stock markets demonstrated the greatest strength, rising swiftly when investors were caught off-guard at the resilience of the Chinese economy. At the beginning of the year, numerous strategists forecast that China's economy would grow around 8.5% during 2013. Those forecasts were decidedly wrong. Contrary to prediction, the economy began to slow during the first half; that deceleration, combined with reports of distress within the Chinese banking system, were enough to send Chinese stocks tumbling. Equity valuations suddenly reflected intense pessimism: I believe that some investors mistakenly anticipated a "hard landing," in which growth might decelerate sharply (i.e., well below 6%), and which might trigger some sort of "credit event" (e.g., the collapse of a financial institution). Yet economic data released during the third quarter suggested that the economy was still holding up reasonably well, expanding around 7.8% per annum. That revelation caught the market off guard, and Chinese shares jumped higher in response.

Amid this volatile environment, the Fund underperformed its benchmark by a modest margin. Latin America was by far the Fund's weakest area, causing a drag of roughly 2% on the Fund's returns. By contrast, all other regions generated gains for the Fund. Within Latin America, losses for the semi-annual period were concentrated in one holding: Sociedad Quimica y Minera (SQM), a Chilean mining company. SQM suffered a sharp deterioration in the performance of its business, and other risks were manifest as well, and consequently the Fund had cause to quit the company's shares.[6]

Meanwhile, Eastern Europe (led by Poland) and Asia (led by China, India, Vietnam and Malaysia) were the Fund's bright spots. Though volatile, the Fund's holdings in Poland ultimately performed well, gaining over the six-month period based on a modest improvement in investors' perception of the country's macro-economy. The Fund's China holdings performed well in aggregate for similar reasons: as discussed above, Chinese shares rallied on signs that the economy was not in as dire shape as had been feared. Meanwhile, the Fund's holdings in India substantially outperformed those of the benchmark index. India's currency (the rupee) was one of those that swooned during the period; however, the Fund's primary exposure was to Infosys, a software company that earns the bulk of its revenues in dollars. This feature of its business model has so far insulated its profitability from the wobbles of the rupee – and the shares rose based on perceptions that the company's growth was accelerating. Lastly, the Fund's holdings in Vietnam made a welcome contribution. Vietnam stocks have performed well this year, in recognition of forthcoming economic reforms, and because valuations on many Vietnam stocks are not demanding.

Allocation

At Seafarer, we invest from the bottom up, meaning that we evaluate each potential investment on its individual merits. This is in contrast to an investment system in which we might place heavy emphasis on economic forecasts, or make decisions based on macro themes, country allocations, or sector weightings.[7] However, when we invest from the bottom up, we consider carefully how various "macro scenarios" might directly or indirectly impact the prospective investment at hand. One "macro" area where we do concentrate is currencies, mainly because they have the potential to rapidly destroy the Fund's capital, and because their movements can permanently diminish vulnerable industries and business models.

We believe the recent retreat of emerging currencies was hastened because their original embrace was based on a false premise. For the past three years or so, investors have worried the Fed's unorthodox monetary policies might debase the dollar (a legitimate, if exaggerated concern). That fear manifested itself in a natural desire to seek currencies that could serve as an alternate haven for capital. Unfortunately, investors employed faulty logic in their search: they assumed the dollar's defects (lax monetary and fiscal policies), when inverted, would define other currencies' strengths. Some commentators fueled this assumption by heralding the "solid fundamentals" and the "pristine balance sheets" of the developing world, implying debt from that part of the world might serve as an antidote to the dollar's woes.[8] Thus began the heady but flawed ascent of emerging currencies.

Over the past two years, Seafarer has rejected the prevailing view that emerging market currencies were somehow new or improved, and therefore could serve as a low-risk alternative to the dollar, or as a means to safely accrue extra fixed income.[9] While we concur that some developing countries enjoy "solid fundamentals," we believe that any resulting benefits will accrue only over long periods of time, and certainly do not confer short-term currency stability. Good fundamentals are simply no substitute for the depth, on-demand liquidity and stability that the U.S. dollar affords. Emerging currencies have made great strides over the past decade; but in our view it will be one or two more decades – if ever – before any could act as a meaningful surrogate for the dollar.

As of the autumn of 2013, it seems that the bulk of the currency-related "pain" that was latent in the emerging markets is now manifest. Surely, there are some countries that still face pronounced risks (India chief among them). Yet dramatic losses versus the dollar have already occurred; in our view, currency markets tend to overshoot in the short run, and analysts tend to amplify and overstate currency problems only after they have occurred.

We believe the chief problem that emerging markets face is a lack of growth; none face the sort of dire solvency problems that crushed Latin America in the mid-1990s or Asia in the late 1990s. Those currency implosions were caused by asset-liability mismatches. Essentially, financial institutions and other intermediaries in the emerging markets borrowed dollars on a short-term basis, and lent or invested long-term in (often dubious) projects that were denominated in local currencies. When the currencies collapsed, the projects' financial viability collapsed, which caused the currencies to fall further, in a vicious cycle. For the most part, *this is not an urgent problem today*.

From a portfolio perspective, currency-related risks still present challenges for the Fund, but far less so than one year ago. Our main concern is still the paucity of growth in the developing world. We will continue to invest from the bottom up, on a company-by-company basis; but we will watch for central banks that understand the imperative to sustain growth with accommodative monetary policy – even if it causes their currencies to wobble against the dollar in the short run.

On a separate note, the Chinese stock market once again presents the Fund with promise and peril. The promise was visible during a recent trip to Hong Kong: we met a number of companies that are well-situated in service-based industries.[10] Most of those industries are relatively new to China, and seem to be undergoing a small boom. You might call it a "boom-let." The Fund will attempt to gain exposure to some of these companies, though the challenge is always sorting out faddish, concept stocks with high valuations from real companies that have the potential to grow steadily for the long-term. Amid a boom-let, it is possible to confuse the two groups.

Meanwhile, the peril arises from rolling liquidity crunches in China. I am disturbed at the rising levels of "accounts receivable" (essentially, un-collected revenues from customers), suggesting companies are not paid on a timely basis. Many of the deferred payments are ultimately traceable to the central government, provincial governments, or state-backed enterprises, which strikes me as both odd and worrisome. I think constrained liquidity within the corporate sector may prove more dangerous to China's economic health than the country's often-discussed property markets and "shadow banking system."[11] Our aim will be for the Fund to seek exposure to the aforementioned boom-let, while attempting to minimize exposure to China's liquidity constrained corporate sector. It may prove to be a difficult, if not impossible, task.

Andrew Foster
Chief Investment Officer
Seafarer Capital Partners, LLC

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 herein. The subject matter contained herein has been derived from several sources believed to be reliable and accurate at the time of compilation. Seafarer does not accept any liability for losses either direct or consequential caused by the use of this information.

1 *The Fund's inception date is February 15, 2012.*

2 *Based on the performance of the MSCI Daily Total Return Gross Emerging Markets Dollar index (ticker: GDUEEGF). Sources: MSCI, Bloomberg and Seafarer.*

3 *Ben Bernanke, "The Economic Outlook," Testimony Before the Joint Economic Committee, U.S. Congress, 22 May 2013.*

4 *"Over one-third of that decline" is based on the relative performance of the MSCI Daily Total Return Gross Emerging Markets Dollar index (ticker: GDUEEGF) and the MSCI Daily Total Return Gross Emerging Markets Local Index (ticker: GDLEEGF) between April 30 and June 24, 2013. The former index fell -14.27% and the latter (which attempts to exclude the impact of currency movements) fell -9.19%. Sources: MSCI, Bloomberg and Seafarer.*

5 *Performance measurement based on performance of MSCI country indices between April 30 and October 31, 2013, measured in dollar terms.*

6 *For a detailed discussion of SQM, please see the Portfolio Review for the third calendar quarter of 2013 (www.seafarerfunds.com/fund/portfolio-review/2013/09/Q3).*

7 *For further discussion of Seafarer's investment approach, please see the Letter to Shareholders dated May 15, 2013 (www.seafarerfunds.com/fund/shareholder-letter/2013/04/annual).*

8 *PIMCO, "The Caine Mutiny (Part 2)," 1 May 2011; and Franklin Templeton, "Franklin Templeton Investments Introduces Templeton Emerging Markets Bond Fund for U.S. Investors," 3 April 2013.*

9 *For further information, please see "On the Brazilian Real," April 2011 (www.seafarerfunds.com/commentary/ on-the-brazilian-real); "On Double Invoicing and the Yuan," May 2011, Part 1 (www.seafarerfunds.com/commentary/on-double-invoicing-and-the-yuan-part-1) and Part 2 (www.seafarerfunds.com/commentary/on-double-invoicing-and-the-yuan-part-2); "Three Risks to Emerging Markets Investing," Morningstar video, June 2011; and "On Teflon and Emerging Market Currencies," October 2011 (www.seafarerfunds.com/commentary/on-teflon-and-emerging-market-currencies).*

10 *For further discussion of the potential of China's underdeveloped services sector, please see the Letter to Shareholders dated November 12, 2012 (www.seafarerfunds.com/fund/shareholder-letter/2012/10/semi-annual).*

11 *Shadow banks are financial intermediaries that conduct maturity, credit, and liquidity transformation without explicit access to central bank liquidity or public sector credit guarantees. Source: Federal Reserve Bank of New York Staff Report, "Shadow Banking," July 2010, revised February 2012.*

Seafarer Overseas Growth and Income Fund Performance

Total Return *(As of October 31, 2013)*	**1 Year**	**Since Inception* - Annualized**	**Net Expense Ratio****
Investor Class (SFGIX)	11.36%	12.04%	1.40%
Institutional Class (SIGIX)	11.53%	12.16%	1.25%
MSCI Emerging Markets Total Return Index^	6.90%	1.83%	

*Gross expense ratio: 1.98% for Investor Class; 1.85% for Institutional Class***

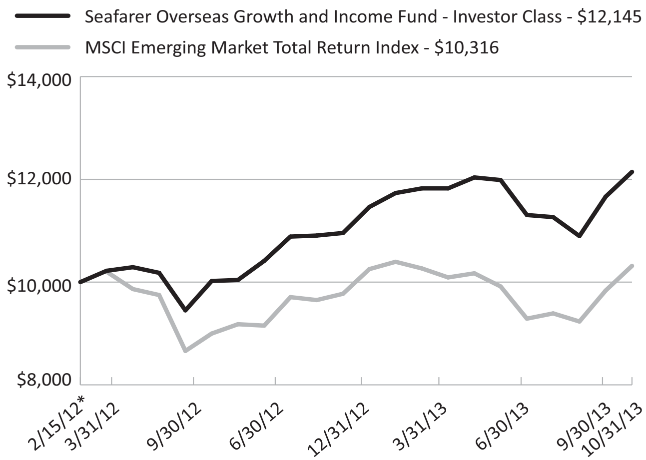
All performance is in U.S. dollars with gross (pre-tax) dividends and/or distributions reinvested. The performance data quoted represents past performance and does not guarantee future results. Future returns may be lower or higher. The investment return and principal value will fluctuate so that an 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 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 1.40% and 1.25% of the Fund's average daily net assets for the Investor and Institutional share classes, respectively. This agreement is in effect through August 31, 2014.*

^ *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.*

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, 2013. 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.

Fund Characteristics

Inception Date	February 15, 2012
Net Assets	$40.6M
Portfolio Turnover[1]	38%

	Investor Class	Institutional Class
Ticker	SFGIX	SIGIX
NAV	$11.86	$11.87
30-Day SEC Yield	1.68%	1.87%
Fund Distribution Yield	1.74%	1.97%
Net Expense Ratio	1.40%	1.25%
Redemption Fee (within 90 calendar days)	2.00%	2.00%
Minimum Initial Investment	$2,500	$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	35%
Weighted Average Market Cap	$13.9B
Market Cap of Portfolio Median	$4.1B
Gross Portfolio Yield[2,3]	3.2%
Price / Book Value[2]	1.7
Price / Earnings[2,4]	12.5
Earnings Per Share Growth[2,4]	10%

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

Past performance does not guarantee future results.

1 *For the six months ended October 31, 2013. Portfolio Turnover is for a period less than one full year and is not annualized.*

2 *Calculated as a harmonic average of the underlying portfolio holdings.*

3 *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.*

4 *Based on consensus earnings estimates for next year.*

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.

The "Underlying Portfolio Holdings" table presents indicative values only; Seafarer does not warrant the data's accuracy, and disclaims any responsibility for its use for investment purposes.

Top 10 Holdings

Holding	Sector	Country	% Net Assets	Issuer Mkt Cap ($B)	Yield[1]	Price / Book	Price / Earnings[2]	EPS Growth[2]
NTT DOCOMO, Inc.	Telecom. Services	Japan	4.3%	$68.8	3.9%	1.2	12	2%
Keppel Corp. Ltd.	Industrials	Singapore	3.9%	$15.9	3.4%	2.2	12	8%
Sindoh Co. Ltd.[3]	Information Technology	South Korea	3.8%	$0.7	3.6%	0.9	–	–
Bank Pekao SA	Financials	Poland	3.5%	$16.7	4.4%	2.3	18	8%
PGE Polska Grupa Energetyczna SA	Utilities	Poland	3.4%	$11.3	4.8%	0.8	13	-24%
Valid Solucoes	Industrials	Brazil	3.4%	$0.9	3.1%	3.6	15	25%
Dongfang Electric Corp. Ltd.	Industrials	China / Hong Kong	3.4%	$3.6	1.0%	1.2	9	2%
Cia Vale do Rio Doce, Pfd.	Materials	Brazil	3.2%	$81.6	5.5%	1.1	7	-1%
SIA Engineering Co., Ltd.	Industrials	Singapore	3.1%	$4.5	4.4%	4.0	19	6%
Hang Lung Properties, Ltd.	Financials	China / Hong Kong	3.0%	$14.8	2.9%	1.0	20	35%

Cumulative Weight of Top 10 Holdings: **35%**
Total Number of Holdings: **46**

Portfolio holdings are subject to change.

1 *Yield = dividend yield for common and preferred stocks and yield to maturity for bonds.*
2 *Based on consensus earnings estimates for next year.*
3 *Consensus estimates for earnings and EPS growth are not available for this security.*

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

The table above presents indicative values only; Seafarer does not warrant the data's accuracy and disclaims any responsibility for its use for investment purposes.

Portfolio Composition

Region/Country	% Net Assets
East & South Asia	**61**
China / Hong Kong	14
India	5
Indonesia	3
Japan	7
Malaysia	4
Singapore	10
South Korea	7
Taiwan	5
Thailand	2
Vietnam	6
Eastern Europe	**16**
Poland	9
Turkey	7
Latin America	**18**
Brazil	11
Chile	2
Mexico	4
Middle East & Africa	**2**
South Africa	2
Cash and Other Assets, Less Liabilities	**3**
Total	**100**

Asset Class	% Net Assets
Common Stock	86
Preferred Stock	6
ADR	3
USD Convertible Bond	2
Cash and Other Assets, Less Liabilities	3
Total	**100**

Market Capitalization of Issuer	% Net Assets
Large Cap (over $10 billion)	30
Mid Cap ($1 - $10 billion)	44
Small Cap (under $1 billion)	23
Cash and Other Assets, Less Liabilities	3
Total	**100**

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

Sector	% Net Assets
Consumer Discretionary	8
Consumer Staples	9
Energy	3
Financials*	21
Health Care	10
Industrials	20
Information Technology	13
Materials	6
Telecommunication Services	4
Utilities	3
Cash and Other Assets, Less Liabilities	3
Total	**100**

* *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 5% of the Fund's net assets as of October 31, 2013.*

Greatest Performance Contributors and Detractors

For the six months ended October 31, 2013

Contributors	% Net Assets[1]
Kingdee International Software Group Co. Ltd.[2]	–
Bank Pekao SA	3.5
PetroVietnam Drilling and Well Services JSC	1.7
Samsung Fire & Marine Insurance Co., Ltd., Pfd.	1.7
Hartalega Holdings Bhd	1.9

Detractors	% Net Assets[1]
Odontoprev SA	2.5
Thai Reinsurance PCL	2.0
Taiwan Hon Chuan Enterprise Co., Ltd.	2.3
Netas Telekomunikasyon AS	1.8
Sociedad Quimica y Minera de Chile SA ADR[2]	–

[1] *As of end of period.*
[2] *As of October 31, 2013, the Fund had no economic interest in this security.*

Source: Bloomberg

The table above presents estimated values only; Seafarer does not warrant the data's accuracy and disclaims any responsibility for its use for investment purposes.

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, 2013 and held until October 31, 2013.

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 05/01/13	Ending Account Value 10/31/13	Expense Ratio[(a)]	Expenses Paid During Period 05/01/13 - 10/31/13[(b)]
Investor Class				
Actual	$ 1,000.00	$ 1,009.00	1.40%	$ 7.09
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,018.15	1.40%	$ 7.12
Institutional Class				
Actual	$ 1,000.00	$ 1,010.00	1.25%	$ 6.33
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,018.90	1.25%	$ 6.36

(a) *Annualized, based on the Fund's most recent fiscal half year expenses.*

(b) *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), then divided by 365.*

	Currency	Shares	Value
COMMON STOCKS (88.9%)			
Brazil (8.0%)			
Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao SA	BRL	89,000	$ 1,373,020
Odontoprev SA	BRL	245,000	1,012,722
Aliansce Shopping Centers SA	BRL	87,500	846,409
Total Brazil			3,232,151
Chile (2.2%)			
Corpbanca SA	CLP	59,535,716	668,172
Corpbanca SA ADR	USD	13,376	230,067
Total Chile			898,239
China / Hong Kong (13.9%)			
Dongfang Electric Corp., Ltd.	HKD	850,000	1,368,245
Hang Lung Properties, Ltd.	HKD	370,000	1,219,334
Beijing Enterprises Holdings, Ltd.	HKD	135,000	1,108,313
Shandong Weigao Group Medical Polymer Co., Ltd., Class H	HKD	910,000	854,482
SinoMedia Holding, Ltd.	HKD	625,000	582,033
Digital China Holdings, Ltd.	HKD	400,000	525,216
Total China / Hong Kong			5,657,623
India (4.8%)			
Sun Pharma Advanced Research Co., Ltd.[(a)]	INR	370,000	785,396
Infosys, Ltd. ADR	USD	14,500	769,370
Navneet Education, Ltd.	INR	450,638	400,005
Total India			1,954,771
Indonesia (2.8%)			
Astra International Tbk PT	IDR	1,900,000	1,120,869
Total Indonesia			1,120,869
Japan (6.9%)			
NTT DOCOMO, Inc.	JPY	110,000	1,745,144
Ajinomoto Co., Inc.	JPY	76,000	1,061,202
Total Japan			2,806,346

	Currency	Shares	Value
Malaysia (3.8%)			
AMMB Holdings Bhd	MYR	340,000	$ 796,248
Hartalega Holdings Bhd	MYR	330,060	756,234
Total Malaysia			1,552,482
Mexico (4.5%)			
Grupo Herdez SAB de CV	MXN	306,093	1,079,177
Kimberly-Clark Mexico SAB de CV, Class A	MXN	240,000	729,717
Total Mexico			1,808,894
Poland (9.1%)			
Bank Pekao SA	PLN	22,500	1,409,743
PGE SA	PLN	240,000	1,402,438
Asseco Poland SA	PLN	54,000	881,958
Total Poland			3,694,139
Singapore (7.9%)			
Keppel Corp., Ltd.	SGD	180,000	1,572,211
SIA Engineering Co., Ltd.	SGD	315,000	1,280,591
Hong Leong Finance, Ltd.	SGD	162,000	342,988
Total Singapore			3,195,790
South Africa (2.1%)			
Life Healthcare Group Holdings, Ltd.	ZAR	130,000	530,942
Steinhoff International Holdings, Ltd.[(a)]	ZAR	84,638	327,213
Total South Africa			858,155
South Korea (3.8%)			
Sindoh Co., Ltd.	KRW	23,500	1,550,790
Total South Korea			1,550,790
Taiwan (4.8%)			
Taiwan Hon Chuan Enterprise Co., Ltd.	TWD	452,000	953,862
Taiwan Semiconductor Manufacturing Co., Ltd.	TWD	248,000	924,318
Taiwan Semiconductor Manufacturing Co., Ltd. ADR	USD	5,000	92,050
Total Taiwan			1,970,230

	Currency	Shares	Value
Thailand (2.0%)			
Thai Reinsurance PCL[(a)]	THB	6,493,602	$ 822,001
Total Thailand			822,001
Turkey (6.9%)			
Aselsan Elektronik Sanayi Ve Ticaret AS	TRY	255,000	1,205,861
Arcelik AS	TRY	135,000	862,242
Netas Telekomunikasyon AS	TRY	195,000	726,762
Total Turkey			2,794,865
Vietnam (5.4%)			
PetroVietnam Drilling and Well Services JSC[(a)]	VND	232,490	699,674
Nam Long Investment Corp.[(a)]	VND	700,100	597,242
Bao Viet Holdings	VND	250,000	471,564
Vietnam National Reinsurance Corp.[(b)]	VND	225,800	237,015
Dry Cell & Storage Battery JSC	VND	205,990	189,393
Total Vietnam			2,194,888
TOTAL COMMON STOCKS (Cost $34,171,080)			36,112,233
PREFERRED STOCKS (6.1%)			
Brazil (3.2%)			
Vale SA	BRL	90,000	1,319,346
Total Brazil			1,319,346
South Korea (2.9%)			
Samsung Fire & Marine Insurance Co., Ltd.	KRW	6,000	692,906
S-Oil Corp.	KRW	9,174	475,673
Total South Korea			1,168,579
TOTAL PREFERRED STOCKS (Cost $2,289,640)			2,487,925

	Currency	Rate	Maturity Date	Principal Amount	Value
CONVERTIBLE CORPORATE BONDS (2.0%)					
Singapore (2.0%)					
Olam International, Ltd.	USD	6.00%	10/15/16	$ 800,000	$ 790,000
Total Singapore					790,000
TOTAL CONVERTIBLE CORPORATE BONDS (Cost $832,771)					790,000
TOTAL INVESTMENTS (Cost $37,293,491) (97.0%)					$ 39,390,158
Cash and Other Assets, Less Liabilities (3.0%)					1,225,400
NET ASSETS (100.0%)					$ 40,615,558

[a] *Non-income producing security.*
[b] *Security determined to be illiquid under the procedures approved by the Fund's Board of Trustees. Information related to the illiquid security is as follows:*

Date(s) of Purchase	***Security***	***Cost***	***Market Value***	***% of Net Assets***
05/03/13 - 09/26/13	*Vietnam National Reinsurance Corp.*	*$233,413*	*$237,015*	*0.6%*

Certain securities were fair valued in good faith through consideration of other factors in accordance with procedures established by and under the general supervision of the 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
THB	-	Thailand Baht
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	-	Andonim Sirketi, Joint Stock Company in Turkey.
Bhd	-	Berhad, Public Limited Company in Malaysia.
JSC	-	Joint Stock Company.
Ltd.	-	Limited.
PCL	-	Public Company 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.

ASSETS:		
Investments, at value	$	39,390,158
Cash		1,015,455
Foreign currency, at value (Cost $496,573)		496,099
Receivable for shares sold		26,575
Interest and dividends receivable		90,749
Prepaid expenses and other assets		10,755
Total Assets		41,029,791
LIABILITIES:		
Payable for investments purchased		314,030
Administrative fees payable		3,923
Co-administrative & shareholder servicing fees payable		9,689
Payable for shares redeemed		11,987
Investment advisory fees payable		4,863
Trustee fees and expenses payable		940
Audit and tax fees payable		10,586
Accrued expenses and other liabilities		58,215
Total Liabilities		414,233
NET ASSETS	$	40,615,558
NET ASSETS CONSIST OF:		
Paid-in capital (Note 5)	$	37,385,311
Accumulated net investment income		60,683
Accumulated net realized gain on investments and foreign currency transactions		1,075,153
Net unrealized appreciation on investments and translation of assets and liabilities in foreign currencies		2,094,411
NET ASSETS	$	40,615,558
INVESTMENTS, AT COST	$	37,293,491
PRICING OF SHARES		
Investor Class:		
Net Asset Value, offering and redemption price per share	$	11.86
Net Assets	$	26,893,844
Shares of beneficial interest outstanding		2,267,338
Institutional Class:		
Net Asset Value, offering and redemption price per share	$	11.87
Net Assets	$	13,721,714
Shares of beneficial interest outstanding		1,155,543

See Accompanying Notes to Financial Statements.

For the Six Months Ended October 31, 2013 (Unaudited)

INVESTMENT INCOME:		
Dividends	$	765,488
Foreign taxes withheld on dividends		(68,871)
Interest and other income		9,013
Total investment income		705,630
EXPENSES:		
Investment advisory fees		154,039
Administrative and transfer agency fees		101,676
Co-administrative & shareholder servicing fees		
Investor Class		8,054
Institutional Class		2,043
Trustee fees and expenses		927
Registration/filing fees		16,227
Shareholder service plan fees		
Investor Class		14,855
Institutional Class		2,030
Legal fees		3,546
Audit fees		8,620
Reports to shareholders and printing fees		6,726
Custody fees		26,136
Miscellaneous		6,299
Total expenses		351,178
Less fees waived/reimbursed by investment advisor		
Investor Class		(69,574)
Institutional Class		(37,117)
Total net expenses		244,487
NET INVESTMENT INCOME:		461,143
Net realized gain on investments		434,824
Net realized loss on foreign currency transactions		(65,143)
Net change in unrealized depreciation on investments (net of foreign capital gains tax of $(60,082))		(701,137)
Net change in unrealized depreciation on translation of assets and liabilities in foreign currency transactions		(2,319)
NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS AND FOREIGN CURRENCY TRANSLATIONS		(333,775)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$	127,368

See Accompanying Notes to Financial Statements.

	For the Six Months Ended October 31, 2013 (Unaudited)	Year Ended April 30, 2013
OPERATIONS:		
Net investment income	$ 461,143	$ 193,701
Net realized gain on investments and foreign currency transactions	369,681	691,065
Net change in unrealized appreciation/(depreciation) on investments and foreign currency translations	(703,456)	2,787,668
Net increase in net assets resulting from operations	127,368	3,672,434
DISTRIBUTIONS TO SHAREHOLDERS:		
From net investment income		
Investor Class	(300,725)	(112,900)
Institutional Class	(160,232)	(49,868)
From net realized gains on investments		
Investor Class	–	(867)
Institutional Class	–	(254)
Net decrease in net assets from distributions	(460,957)	(163,889)
BENEFICIAL INTEREST TRANSACTIONS (NOTE 5):		
Shares sold		
Investor Class	$ 10,920,081	$ 28,091,620
Institutional Class	7,084,317	9,669,354
Dividends reinvested		
Investor Class	282,608	110,846
Institutional Class	150,917	46,662
Shares redeemed, net of redemption fees		
Investor Class	(10,426,700)	(5,803,722)
Institutional Class	(4,895,696)	(579,535)
Net increase in net assets derived from beneficial interest transactions	3,115,527	31,535,225
Net increase in net assets	$ 2,781,938	$ 35,043,770
NET ASSETS:		
Beginning of period	37,833,620	2,789,850
End of period (including accumulated net investment income of $60,683 and $60,497, respectively)	$ 40,615,558	$ 37,833,620

	For the Six Months Ended October 31, 2013 (Unaudited)	Year Ended April 30, 2013
Other Information:		
SHARE TRANSACTIONS:		
Investor Class		
Sold	956,067	2,566,567
Distributions reinvested	25,809	10,140
Redeemed	(927,449)	(505,665)
Net increase in shares outstanding	54,427	2,071,042
Institutional Class		
Sold	617,755	878,414
Distributions reinvested	13,782	4,298
Redeemed	(440,179)	(50,808)
Net increase in shares outstanding	191,358	831,904

See Accompanying Notes to Financial Statements.

For a share outstanding through the periods presented

Investor Class	For the Six Months Ended October 31, 2013 (Unaudited)	Year Ended April 30, 2013	For the Period February 15, 2012 (Inception) to April 30, 2012
NET ASSET VALUE, BEGINNING OF PERIOD	$ 11.91	$ 10.18	$ 10.00
INCOME FROM OPERATIONS:			
Net investment income[(a)]	0.14	0.10	0.05
Net realized and unrealized gain/(loss) on investments	(0.04)	1.74	0.13
Total from investment operations	0.10	1.84	0.18
LESS DISTRIBUTIONS:			
From net investment income	(0.15)	(0.11)	–
From net realized gains on investments	–	(0.00)[(b)]	–
Total distributions	(0.15)	(0.11)	–
REDEMPTION FEES ADDED TO PAID IN CAPITAL	0.00[(c)]	0.00[(c)]	–
NET INCREASE/(DECREASE) IN NET ASSET VALUE	(0.05)	1.73	0.18
NET ASSET VALUE, END OF PERIOD	$ 11.86	$ 11.91	$ 10.18
TOTAL RETURN[(d)]	0.90%	18.24%	1.80%
RATIOS/SUPPLEMENTAL DATA:			
Net assets, end of period (in 000s)	$ 26,894	$ 26,348	$ 1,443
Operating expenses excluding reimbursement/waiver	1.98%[(e)]	2.82%	18.96%[(e)]
Operating expenses including reimbursement/waiver	1.40%[(e)(f)]	1.49%	1.60%[(e)]
Net investment income including reimbursement/waiver	2.51%[(e)]	0.90%	2.61%[(e)]
PORTFOLIO TURNOVER RATE[(g)]	38%	39%	5%

(a) *Calculated using the average shares method.*
(b) *Less than $(0.005) per share.*
(c) *Less than $0.005 per share.*
(d) *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.*
(e) *Annualized.*
(f) *Contractual expense limitation changed from 1.60% to 1.40% effective August 31, 2013.*
(g) *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

Institutional Class	For the Six Months Ended October 31, 2013 (Unaudited)	Year Ended April 30, 2013	For the Period February 15, 2012 (Inception) to April 30, 2012
NET ASSET VALUE, BEGINNING OF PERIOD	$ 11.91	$ 10.18	$ 10.00
INCOME FROM OPERATIONS:			
Net investment income[(a)]	0.15	0.14	0.04
Net realized and unrealized gain/(loss) on investments	(0.04)	1.71	0.14
Total from investment operations	0.11	1.85	0.18
LESS DISTRIBUTIONS:			
From net investment income	(0.15)	(0.12)	–
From net realized gains on investments	–	(0.00)[(b)]	–
Total distributions	(0.15)	(0.12)	–
REDEMPTION FEES ADDED TO PAID IN CAPITAL	0.00[(c)]	0.00[(c)]	–
NET INCREASE/(DECREASE) IN NET ASSET VALUE	(0.04)	1.73	0.18
NET ASSET VALUE, END OF PERIOD	$ 11.87	$ 11.91	$ 10.18
TOTAL RETURN[(d)]	1.00%	18.33%	1.80%
RATIOS/SUPPLEMENTAL DATA:			
Net assets, end of period (in 000s)	$ 13,722	$ 11,486	$ 1,346
Operating expenses excluding reimbursement/waiver	1.85%[(e)]	2.88%	21.65%[(e)]
Operating expenses including reimbursement/waiver	1.25%[(e)(f)]	1.35%	1.45%[(e)]
Net investment income including reimbursement/waiver	2.61%[(e)]	1.28%	2.00%[(e)]
PORTFOLIO TURNOVER RATE[(g)]	38%	39%	5%

(a) *Calculated using the average shares method.*
(b) *Less than $(0.005) per share.*
(c) *Less than $0.005 per share.*
(d) *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.*
(e) *Annualized.*
(f) *Contractual expense limitation changed from 1.45% to 1.25% effective August 31, 2013.*
(g) *Portfolio turnover rate for periods less than one full year have not been annualized.*

See Accompanying Notes to Financial Statements.

1. 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, 2013, the Trust had 27 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. 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 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 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 that 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 that are developed based on the best information available.

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.

The following is a summary of each input used to value the Fund as of October 31, 2013:

Investments in Securities at Value	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stocks				
Brazil	$ 3,232,151	$ –	$ –	$ 3,232,151
Chile	898,239	–	–	898,239
China / Hong Kong	5,657,623	–	–	5,657,623
India	1,954,771	–	–	1,954,771
Indonesia	1,120,869	–	–	1,120,869
Japan	2,806,346	–	–	2,806,346
Malaysia	1,552,482	–	–	1,552,482
Mexico	1,808,894	–	–	1,808,894
Poland	3,694,139	–	–	3,694,139
Singapore	3,195,790	–	–	3,195,790
South Africa	858,155	–	–	858,155
South Korea	1,550,790	–	–	1,550,790
Taiwan	1,970,230	–	–	1,970,230
Thailand	822,001	–	–	822,001
Turkey	2,794,865	–	–	2,794,865
Vietnam	2,194,888	–	–	2,194,888
Preferred Stocks				
Brazil	1,319,346	–	–	1,319,346
South Korea	1,168,579	–	–	1,168,579
Convertible Corporate Bonds[(a)]	–	790,000	–	790,000
Total	$ 38,600,158	$ 790,000	$ –	$ 39,390,158

(a) *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, 2013, 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, 2013 were as follows:

	Level 1 - Quoted Prices		Level 2 - Other Significant Observable Inputs	
	Transfers In	**Transfers (Out)**	**Transfers In**	**Transfers (Out)**
Common Stocks	$ 18,152,690	$ –	$ –	$ (18,152,690)
Preferred Stocks	1,168,579	–	–	(1,168,579)
Total	$ 19,321,269	$ –	$ –	$ (19,321,269)

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 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, 2013, 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 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, 2013, 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 Unrealized Appreciation
Seafarer Overseas Growth and Income Fund	$ 37,379,659	$ 3,225,823	$ (1,215,324)	$ 2,010,499

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, 2013, were as follows:

	Ordinary Income	Long-Term Capital Gain
Seafarer Overseas Growth and Income Fund	$ 163,889	$ –

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, 2013.

4. SECURITIES TRANSACTIONS

The cost of purchases and proceeds from sales of securities excluding short term securities during the six months ended October 31, 2013, were as follows:

	Purchases of Securities	Proceeds From Sales of Securities
Seafarer Overseas Growth and Income Fund	$ 15,681,625	$ 13,192,767

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 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, 2013 and the year ended April 30, 2013, the Fund retained the following redemption fees:

Fund	**For the Six Months Ended October 31, 2013 (Unaudited)**	**Year Ended April 30, 2013**
Seafarer Overseas Growth and Income Fund – Investor Class	$ 1,858	$ 5,490
Seafarer Overseas Growth and Income Fund – Institutional Class	$ 708	$ 928

6. MANAGEMENT AND RELATED-PARTY TRANSACTIONS

Seafarer Capital Partners, LLC (“Seafarer” or 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 and 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 of 0.85%, 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 30, 2013, the Adviser had contractually agreed to limit certain Fund 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 had also voluntarily agreed to limit certain 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 August 31, 2013, the Adviser has 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, at which point it 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 this agreement, 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 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, 2013, the fee waivers and/or reimbursements were as follows:

Fund	Fees Waived/ Reimbursed By Advisor	Recoupment of Previously Waived Fees By Advisor	Total
Seafarer Overseas Growth and Income Fund			
Investor Class	$ 69,574	$ –	$ 69,574
Institutional Class	37,117	–	37,117

As of October 31, 2013, the balances of recoupable expenses for each class were as follows:

Fund	Expires 2015	Expires 2016	Total
Seafarer Overseas Growth and Income Fund			
Investor Class	$ 22,136	$ 177,710	$ 199,846
Institutional Class	51,869	78,354	130,223

Fund Accounting 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 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.

Administrative and Shareholder Services

From the inception of the Fund through August 30, 2013, the Adviser provided administrative and shareholder services to the Fund under the Co-Administration and Shareholder Services Agreement with the Trust. Under this Agreement, the Adviser was entitled to fees, accrued on a daily basis and paid on a monthly basis following the end of the month, of 0.10% of the average daily net assets of the Investor Class and 0.05% of the average daily net assets of the Institutional Class, and was reimbursed for certain out-of-pocket expenses. As of August 31, 2013, the Co-Administration and Shareholder Services Agreement with the Trust was terminated with the approval of the Board of Trustees. Effective on August 31, 2013 and going forward, the Adviser continues to provide the administrative and shareholder services to the Fund that were described under the Agreement, but the Adviser does not receive an Administrative and Shareholder Servicing Fee for doing so.

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.

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 this agreement, the Adviser pays ADI an annual base fee of $12,000 and 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 ("Participation 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.

8. NEW ACCOUNTING PRONOUNCEMENTS

In June 2013, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2013-08, Financial Services-Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements. The FASB standard identifies characteristics a company must assess to determine whether it is considered an investment company for financial reporting purposes. This ASU is effective for fiscal years beginning after December 15, 2013. The Fund believes the adoption of this ASU will not have a material impact on its financial statements.

1. 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.

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FUNDS

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Must be accompanied or preceded by a prospectus.