



## SEMI-ANNUAL REPORT

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October 31, 2016

### Seafarer Overseas Growth and Income Fund

Investor Class SFGIX  
Institutional Class SIGIX

### Seafarer Overseas Value Fund

Investor Class SFVLX  
Institutional Class SIVLX



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## LETTER TO SHAREHOLDERS

November 15, 2016

Dear Fellow Shareholders,

I am pleased to address you again on behalf of the Seafarer Funds. This report covers the first half of the 2016-17 fiscal year (May 1, 2016 to October 31, 2016).

### Launch of the Seafarer Overseas Value Fund

On May 31, 2016, Seafarer launched the Overseas Value Fund, the second fund in the Seafarer Funds series.

Seafarer's original fund, the Overseas Growth and Income Fund, is focused on finding relative value within the emerging markets: the Fund seeks to find securities that present balanced characteristics between prospective capital growth, current income, and present valuation.

The new Value Fund's strategy is dedicated to a more traditional form of value investing, adapted for the particular challenges inherent to the emerging markets. Often, value-oriented strategies implemented in the emerging markets simply look for growth-oriented stocks with low valuations (e.g., perhaps cyclically-depressed growth stocks). By contrast, the Fund places particular emphasis on searching for value embedded in corporate balance sheets: the Fund attempts to mine value that has already been created, but perhaps not recognized or realized by investors.

My colleague, Paul Espinosa, has taken up leadership of the Value Fund; he describes its launch and initial performance in the "performance review" section of this report. I am deeply pleased by the advent of the Fund, as well as Paul's leadership over it. The new Fund embodies an important evolution in Seafarer's investment philosophy. As the Fund's co-manager, I am excited and eager to contribute to its progress over the next decade and beyond.

### Reduction in Fees and Economies of Scale

Beyond the launch of the new Fund, I am also pleased to report that Seafarer has lowered its management fee, consistent with its stated objective to reduce operating expenses over time, and with scale.

Effective August 31, 2016, the Funds' Advisor (Seafarer Capital Partners, LLC) lowered its management fee for both funds by 0.05% (from 0.75% to 0.70%) on consolidated net assets in excess of \$1.5 billion.<sup>1</sup> Please note that the management fee is one component of each Fund's total operating expenses. This is the second reduction in management fees in the Funds' history; it is the fifth time that Seafarer has acted to reduce expenses by either capping expenses at a lower level or reducing management fees.

As of the date of this report, the Growth and Income Fund had net assets of approximately \$1.9 billion. Happily, the Fund's scale has begun to yield additional economies: the Fund's Prospectus (dated August 31, 2016) states that operating expenses are 0.98% for the Institutional class and 1.08% for the Investor class, below the Funds' contractual expense caps (1.05% and 1.15%, respectively).

Presently, the much smaller scale of the Value Fund (approximately \$5 million in net assets as of the date of this report) means that its expenses are still subject to the Funds' contractual caps (i.e. 1.05% for the Institutional class and 1.15% for the Investor class).

### Expansion of Seafarer's Team

As Seafarer has grown, it has continued to invest in its research capabilities and operational capacities, particularly via additions to the team. I am delighted by the caliber of the people that have joined our organization, and I am excited by the depth and breadth of talent they embody.

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The firm's new members include: David Lenik, the firm's Chief Compliance Officer; Kevin Lammert, the firm's Chief Financial Officer; Ryan Kelley and Natalia Urbanek, who serve in client service functions; Chris Clayton, the firm's Director of Trading; and Inbok Song, who joins the firm as Director of Research.

I would like to single out Inbok Song, for a moment: it is a privilege to work with her again. Inbok and I worked together in the past; since that time, she held senior portfolio management positions at our former employer and elsewhere. She brings drive, analytical talent, and a wealth of experience, and Seafarer is lucky to have her. Inbok occupies a new role as Director of Research. Her primary remit is to ensure the quality and consistency of our research output, and to oversee the systems and models that drive our research; she will also produce fundamental securities research in support of the firm's investment strategies.

## Capacity Management

As long-term shareholders are aware, the Growth and Income Fund has experienced considerable growth in assets under management over the past two years. The Fund passed the third anniversary of its existence in February of 2015, at which time its net assets were slightly below \$150 million. As of October 2016, the Fund had approximately \$1.9 billion under management.

My goal in managing the Fund is to ensure that it has adequate capacity to serve its existing shareholders' needs, both in the present and in the future. I currently estimate the strategy has a capacity of \$4 billion (I reserve the right to revise this estimate in the future). I imagine that if the Fund were to reach this threshold, Seafarer would likely restrict subscriptions from existing clients. Personally, I have no desire to manage a fund subject to such restrictions, so I place great importance on managing capacity in a manner that reduces the possibility of their imposition.

In an effort to manage capacity and moderate the pace of subscription activity, I closed the Fund to most new investors at the end of September 2016 (known as a "soft close").<sup>2</sup> I did so at an asset level that should provide existing clients and shareholders ample capacity to expand their allocations to the Fund, over time, should they choose to do so. I estimate that, even if existing shareholders increase their allocations considerably, the Fund will have sufficient spare capacity such that it should "undershoot" its \$4 billion limit. My ultimate goal is to ensure the strategy remains at a manageable size in prevailing market conditions, while still preserving relatively unfettered access to the Fund for existing clients and shareholders.

We appreciate the trust you afford our organization, and we are honored to serve as your investment advisor in the emerging markets.

Andrew Foster  
Chief Investment Officer  
Seafarer Capital Partners, LLC

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*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.*

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- <sup>1</sup> *The Seafarer Funds, in the aggregate, pay the Adviser an annual management fee of 0.75% of the aggregate average daily net assets of the Funds up to \$1.5 billion and 0.70% of the aggregate average daily net assets of the Funds over \$1.5 billion. Each Fund shall pay to the Adviser a monthly fee at the annual rate using the applicable management fee calculated based on the Fund's pro rata share of the Funds' average daily net assets.*
- <sup>2</sup> *For more information about the Growth and Income Fund's soft close, see the Message to Shareholders at: [www.seafarerfunds.com/message-to-shareholders/2016/08/31](http://www.seafarerfunds.com/message-to-shareholders/2016/08/31)*

**SEAFARER OVERSEAS GROWTH AND INCOME FUND  
PERFORMANCE REVIEW**

November 14, 2016

This report addresses the first half of the Seafarer Overseas Growth and Income Fund's 2016-17 fiscal year (May 1, 2016 to October 31, 2016).

During the semi-annual period, the Fund gained 4.99%, while the Fund's benchmark, the MSCI Emerging Markets Total Return Index, rose 9.68%.<sup>1</sup> By way of broader comparison, the S&P 500 Index rose 4.06%.

The Fund began the fiscal year with a net asset value of \$11.46 per share. In June, the Fund paid a semi-annual distribution of \$0.088 per share. That payment brought the cumulative distribution per share, as measured from the Fund's inception, to \$1.260.<sup>2</sup> The Fund finished the semi-annual period with a value of \$11.94 per share.<sup>3</sup>

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At the outset of the fiscal year, both the Fund and the benchmark index declined. This decline was perhaps a counter-reaction to the sharp rally that occurred between February and April of the same year. Emerging markets had just staged a strong rebound, led by Brazilian equities and the Brazilian currency, prompted by sudden political changes in that country. May saw the emerging markets retreat, ostensibly because investors thought the surge in Brazil's financial markets had run ahead of the underlying economic reality. The Fund and the benchmark fell -3.49% and -3.71%, respectively, during May.

However, between the end of May and the end of October, the benchmark rose sharply once again, this time led by gains in Chinese internet companies and financial service firms. While China contributed the most to the index's increase during the five-month period, most other developing countries also saw their equity markets advance. The gains were such that the benchmark finished the first half of the fiscal year up nearly 10%.

The broad-based gains in the emerging markets were seemingly prompted by three conditions: the reduced likelihood of an interest rate increase in the U.S., relatively stable emerging market currencies, and renewed optimism regarding the health of the Chinese economy. Every constituent sector contributed to the MSCI Emerging Index's increase.

Amid the swift and broad-based rally, the Fund's absolute performance was strong, but it fell short of the benchmark's gains. The Fund gained 4.99% over the six-month span, trailing the index by 4.69%.

There are at least three ways to understand the Fund's shortfall during the semi-annual period.

First, it can be explained in terms of relative positioning: the Fund's underweight allocation in Chinese shares – particularly financial institutions and internet companies – created much of the performance gap. China's financial institutions generally pay substantial dividends; but our assessment of their future risks, combined with generally low levels of capital adequacy among the banks, means that most do not satisfy the requirements of the Fund's strategy. China's internet companies also fall outside the Fund's discipline: though most seem capable of producing the sustained growth that the Fund seeks, their anemic record of dividend payments means they generally do not satisfy the Fund's income and valuation requirements.

Second, the Fund's underperformance can be explained in strategic terms: historically, Seafarer's growth and income strategy has tended to lag the overall market during short-term periods of sharp gains. The Fund's strategy seeks investments in companies that are capable of sustained (typically steady) growth. This characteristic can help the strategy perform well during periods of economic weakness or uncertainty. However, this characteristic can also act as a drag on performance during periods when corporate financial performance might accelerate dramatically, such as a cyclical "bottom" in earnings. At such times, the market tends to rotate its attention to cyclically depressed shares – not the steadier sort the strategy favors. As such, the strategy often fails to capture the full

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benefit of recovery. I do not offer this explanation as an excuse, but rather as context for what shareholders might expect from the Fund's strategy over time.

Third, and perhaps most importantly, the Fund's performance can be explained in terms of recent macro-economic history. Over the past five years, investors' expectation for earnings growth from the developing world has been grossly mis-aligned with reality. Between 2011 and 2015, there was an immense "gap" between consensus expectations for growth in corporate profits and the actual results. Every year, analysts predicted growth between 10% and 13%, and the actual results fell far short – nearly zero growth, measured as a compounded average, over the past five years.

Five years ago, emerging market equities were generally valued richly, based on expectations for substantial growth. When that growth failed to materialize, most stock prices performed poorly. Conversely, the Fund's holdings, which favor companies capable of sustained growth, performed somewhat better than the markets overall.

The situation appears to have changed in 2016. First, valuations were not as rich as the past. Second, forecasts became more reasonable: at the outset of the year, the consensus expectation for growth was finally realistic, at 8%. Third, the actual result for 2016, at least as it is known so far based on published mid-year corporate performance, is much more in line with the forecast. Using the benchmark index as a proxy for the markets as a whole, the emerging markets appear on track to produce 6% growth in profits during the calendar year. The gap between expectation and reality persists, but it has narrowed considerably. For the first time in five years, corporate profit growth appears nearly on track to meet expectation – and markets have rallied, seemingly in recognition of this fundamental fact.

There is no guarantee that "gap" will continue to narrow. I think that investors are speculating that corporate earnings have turned a corner in the developing world. I harbor doubts whether this is true: when I review the financial statements of individual companies, I see improved conditions, but not so much so that I believe a recovery is underway. Still, if this trend continues, it might in hindsight be considered the "bottom" in earnings – and the market is behaving as if it were so.

In summary: a modest recovery in earnings growth may be underway, though I have my doubts. However, as discussed above, the Fund's strategy tends not to participate fully in such events. Shareholders should take note: if growth continues to recover and accelerate from here, the Fund might lag the market, especially if the market moves sharply and swiftly higher.

Andrew Foster  
Lead Portfolio Manager  
Seafarer Overseas Growth and Income Fund

*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: GDUUEGF. 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 Fund is subject to investment risks, including possible loss of the principal amount invested and therefore is not suitable for all investors. The Fund may not achieve its objectives. Diversification does not ensure a profit or guarantee against loss.*

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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.

- <sup>1</sup> References to the "Fund" pertain to the Fund's Institutional share class (ticker: SIGIX). The Investor share class (ticker: SFGIX) gained 4.90% 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 \$11.44 per share; it paid a semi-annual distribution of \$0.087 per share in June; and it finished the semi-annual period with a value of \$11.91 per share.

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## Total Returns

As of October 31, 2016	1 Year	3 Years	Since Inception Annualized <sup>(1)</sup>	Gross Expense Ratio <sup>(2)</sup>
Investor Class (SFGIX)	10.20%	3.00%	6.19%	1.08%
Institutional Class (SIGIX)	10.34%	3.15%	6.33%	0.98%
MSCI Emerging Markets Total Return Index <sup>(3)</sup>	9.67%	-1.70%	-0.43%	

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. Prior to August 31, 2016, shares of the Fund redeemed or exchanged within 90 days of purchase were 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.

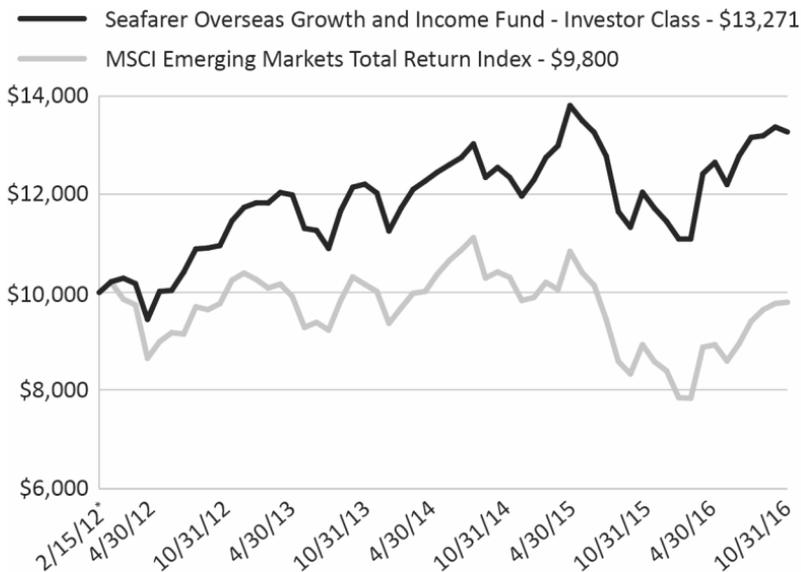
<sup>1</sup> Inception Date: February 15, 2012.

<sup>2</sup> 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 1.15% 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, 2017.

<sup>3</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.

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## 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, 2016. 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.

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**SEAFARER OVERSEAS VALUE FUND  
PERFORMANCE REVIEW**

November 9, 2016

This report addresses the first half of the Seafarer Overseas Value Fund's 2016-17 fiscal year (May 1, 2016 to October 31, 2016).

The Fund launched one month into the fiscal year, on May 31, 2016, with \$2.8 million in assets under management, and ended the semi-annual period with \$4.5 million.

During the semi-annual period (as measured from inception date May 31, 2016), the Fund gained 2.70%.<sup>1</sup> The Fund's benchmark, the MSCI Emerging Markets Total Return Index, rose 13.90% during the same period. By way of broader comparison, the S&P 500 Index gained 2.22% during the same period.

The Fund launched with a net asset value of \$10.00 per share. The Fund paid no distributions during the first half of the fiscal year, and it finished the period with a value of \$10.27 per share.<sup>2</sup>

I purposefully deployed the Fund's cash on a gradual basis throughout the period, preferring an average price of entry for each holding over the arbitrariness of prices on launch date. The difficulty with this approach was lowering the average cost of entry for each position in a period when the emerging markets as a whole were appreciating considerably. That said, there was sufficient price volatility for individual securities within the period that I believe the portfolio was well served by this approach.

The primary difficulty of launching the Fund during a period of significant market appreciation was effectively implementing the portfolio I had intended to construct pre-launch. In fact, I did exclude several securities from the actual portfolio due to meaningful price appreciation prior to and during the launch period. By way of example, a potential holding located in Latin America more than doubled in price between the beginning of the year and the Fund's launch, while another one in the same region appreciated by 66%. While not an ideal circumstance, I viewed this complication as a test and opportunity to practice what I preach as a value investor. The key tenet of the Seafarer Overseas Value Fund is to maintain discipline with regard to the prices paid for securities.

On the other hand, there are a number of potential holdings on our watch list that now meet our criteria for inclusion into the portfolio, to be funded by its additional liquid resources.

The Fund appreciated 2.70% during the semi-annual period (as measured from inception date May 31, 2016). While the Fund does not seek to track a benchmark, it is worth noting that performance during the period was distinctly more stable than that of the MSCI Emerging Markets Total Return Index. In other words, the Fund tended to underperform on days of strong index appreciation, and tended to outperform during negative performance days for the index. While not an a priori objective of the Fund, this behavior makes sense in hindsight, as the benchmark's performance was heavily driven by the technology and financial sectors, which together accounted for 78% of the index appreciation, and to which the Fund has little exposure. As a result, I can identify two characteristics that drove the Fund's idiosyncratic performance relative to the index during this particular period. First, the Fund tends to shy away from momentum stocks, favoring instead companies going through their own individual earnings cycles, with time horizons measured in years, as opposed to semi-annual periods. Second, the Fund's sectoral exposure is a function of stock selection and nothing more. Indeed, the Fund's active share score was 92% as of September 30, 2016.<sup>3</sup>

I cannot speculate with regard to how the Fund will perform relative to any emerging markets index in future periods, as there are too many variables to consider. However, given the nature of the Fund, I would expect it to maintain a relatively high active share score.

I view the Fund's holdings within the framework of the sources of value defined in our white paper, *On Value in Emerging Markets*.<sup>4</sup> From this perspective, the first half of the fiscal year saw strong appreciation of several holdings within the Asset Productivity category, where the source of value is a cyclical downturn following a period of asset expansion. The common denominator of these securities is that they operate in industries that have been in recession for several years now. Whether these share

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price gains prove sustainable remains to be seen, but at least the market has given some indication that these particular stocks may have been over-discounted in what was already known to be a difficult trading environment.

At a security level, it is worth noting that three Fund holdings announced meaningful profit warnings during the period. Yet, the resulting pullback in two of the three holdings was relatively muted and short-lived. I interpret this stock performance in the face of negative earnings surprises as validation that valuations are already supportive of our original entry points.

Specifically, Shangri-La Asia, an owner-operator of luxury hotels and mixed-use properties throughout Asia, reported a meaningful asset impairment charge related to weak performance at some of its Mainland China properties. Wilmar International, a vertically-integrated agribusiness company, pre-announced a second quarter earnings loss primarily due to untimely purchases of soya. These stocks are currently trading close to or at a higher price than they did prior to releasing their negative earnings surprises, suggesting valuation support for the share price in the face of earnings losses. The third holding to report a negative earnings surprise was AMVIG Holdings. First half earnings for this manufacturer of tobacco packaging declined 47% due to clients drawing down their existing packaging inventory in anticipation of changes to the rules governing the advertisement of health risks. Given the high dividend payout ratio, the company lowered the dividend in-line with earnings. The stock is down approximately 9% since the earnings announcement. Among the reasons I continue to hold this stock is the idea that I expect packaging volume to fully recover for this inelastic product, and pegging the corresponding future dividend to the current share price results in an expected dividend yield of close to 9%.<sup>5</sup>

The Seafarer Overseas Value Fund remains focused on finding what it deems to be undervalued securities. The first half of the Fund's fiscal year witnessed two momentous events: the United Kingdom's June 23 decision to leave the European Union and the inclusion by the International Monetary Fund (IMF) of the Chinese renminbi in the Special Drawing Rights (SDR) currency basket effective October 1, 2016.<sup>6,7,8</sup> I am optimistic that the process of adjustment the world economy is likely undergoing will yield more opportunities for the Value Fund. For now I plan to maintain a healthy level of liquidity to both invest in new opportunities and partially guard against potential market drawdowns resulting from currency rearrangements.

Paul Espinosa  
Lead Portfolio Manager  
Seafarer Overseas Value Fund

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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.

As of October 31, 2016, Shangri-La Asia Ltd comprised 3.9% of the Seafarer Overseas Value Fund, Wilmar International Ltd comprised 3.7% of the Fund, and AMVIG Holdings Ltd comprised 3.8% of the Fund. Holdings are subject to change.

- <sup>1</sup> References to the "Fund" pertain to the Fund's Institutional share class (ticker: SIVLX). The Investor share class (ticker: SFVLX) gained 2.60% during the semi-annual period.
- <sup>2</sup> The Fund's Investor share class launched on May 31, 2016 with a net asset value of \$10.00 per share; it finished the semi-annual period with a value of \$10.26 per share.
- <sup>3</sup> Active Share is a measure of a portfolio's deviation from a benchmark index, where a value of 0% indicates that a portfolio is a perfect replica of the index, and a value of 100% indicates that a portfolio is entirely different than the index.
- <sup>4</sup> The whitepaper On Value in Emerging Markets is available at: [www.seafarerfunds.com/documents/on-value-in-the-emerging-markets](http://www.seafarerfunds.com/documents/on-value-in-the-emerging-markets)
- <sup>5</sup> Dividend yield is a measure of the sum of the dividends paid per share during the trailing 12 months divided by the current share price.
- <sup>6</sup> The International Monetary Fund (IMF) is an organization of countries whose primary purpose is to ensure the stability of the international monetary system – the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other. Created in 1945, the IMF is governed by and accountable to the countries that make up its near-global membership.
- <sup>7</sup> The renminbi is the official currency of the People's Republic of China. The name literally means "people's currency."
- <sup>8</sup> Special Drawing Rights (SDR) is an international reserve asset created by the International Monetary Fund in 1969 to supplement its member countries' official reserves. SDRs can be exchanged for freely usable currencies. As of October 1, 2016, the value of the SDR is based on a basket of five major currencies – the U.S. dollar, Euro, Chinese renminbi, Japanese yen, and pound sterling.

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## Total Returns

As of October 31, 2016	Since Inception <sup>(1)</sup>	Net Expense Ratio <sup>(2)</sup>
Investor Class (SFVLX)	2.60%	1.15%
Institutional Class (SIVLX)	2.70%	1.05%
MSCI Emerging Markets Total Return Index <sup>(3)</sup>	13.90%	

Gross expense ratio: 2.08% for Investor Class; 1.98% for Institutional Class. Ratios as of Prospectus dated August 31, 2016<sup>2</sup>

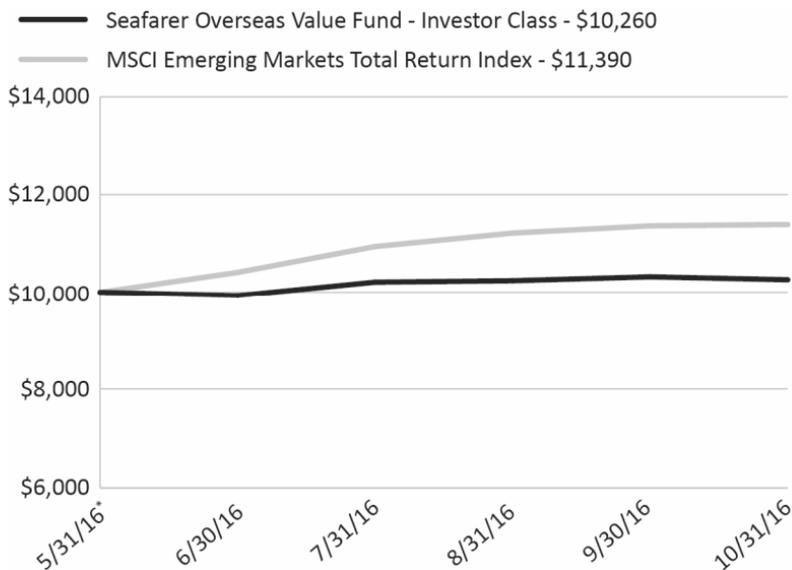
All performance is in U.S. dollars with gross (pre-tax) dividends and/or distributions reinvested. The performance data quoted represents past performance and does not guarantee future results. Future returns may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Prior to August 31, 2016, shares of the Fund redeemed or exchanged within 90 days of purchase were 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.

<sup>1</sup> Inception Date: May 31, 2016.

<sup>2</sup> 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 1.15% 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, 2017.

<sup>3</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.

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



\* Inception Date: May 31, 2016.

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## Investment Objective

The Fund seeks to provide long-term capital appreciation.

## Strategy

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

The Fund's portfolio is comprised of securities identified through a bottom-up security selection process based on fundamental research. The Fund seeks to produce a minimum long-term rate of return by investing in securities priced at a discount to their intrinsic value.

## DISCLOSURE OF FUND EXPENSES

As a shareholder of a 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 a 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, 2016 and held until October 31, 2016.

**Actual Expenses.** For each Fund and share class, the first line of the following table 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.** For each Fund and share class, the second line of the following table 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 mutual funds.

Please note the expenses shown in the following table are meant to highlight your ongoing costs only and do not reflect transactional costs, such as redemption fees or exchange fees. Therefore, for each Fund and share class, the second line of the following table is useful in comparing ongoing costs only, and will 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.

October 31, 2016 (Unaudited)

	Beginning Account Value May 1, 2016	Ending Account Value October 31, 2016	Expense Ratio <sup>(1)</sup>	Expenses Paid During Period May 1, 2016 - October 31, 2016 <sup>(2)</sup>
<b>SEAFARER OVERSEAS GROWTH AND INCOME FUND</b>				
<b>Investor Class</b>				
Actual	\$ 1,000.00	\$ 1,049.00	0.99%	\$ 5.11
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,020.21	0.99%	\$ 5.04
<b>Institutional Class</b>				
Actual	\$ 1,000.00	\$ 1,049.90	0.88%	\$ 4.55
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,020.77	0.88%	\$ 4.48
<b>SEAFARER OVERSEAS VALUE FUND<sup>(3)</sup></b>				
<b>Investor Class</b>				
Actual	\$ 1,000.00	\$ 1,026.00	1.15%	\$ 4.88
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,019.41	1.15%	\$ 5.85
<b>Institutional Class</b>				
Actual	\$ 1,000.00	\$ 1,027.00	1.05%	\$ 4.46
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,019.91	1.05%	\$ 5.35

<sup>(1)</sup> Annualized, based on a Fund's most recent fiscal half year expenses.

<sup>(2)</sup> Expenses are equal to a 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).

<sup>(3)</sup> The Seafarer Overseas Value Fund launched on May 31, 2016. For the purpose of calculating the "Actual" figures, the actual number of days from the inception date May 31, 2016 through October 31, 2016 were used (153 days).

October 31, 2016 (Unaudited)

	Currency	Shares	Value
<b>COMMON STOCKS (78.5%)</b>			
<b>Brazil (7.3%)</b>			
TOTVS SA	BRL	6,353,700	\$ 57,724,718
Odontoprev SA	BRL	14,352,300	53,956,015
Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao SA	BRL	2,775,000	<u>26,072,134</u>
<b>Total Brazil</b>			<u>137,752,867</u>
<b>China / Hong Kong (12.7%)</b>			
Hang Lung Properties, Ltd.	HKD	39,000,000	86,090,606
Shandong Weigao Group Medical Polymer Co., Ltd., Class H	HKD	78,234,000	51,042,678
Texwinca Holdings, Ltd.	HKD	51,438,000	36,080,319
Xinhua Winshare Publishing and Media Co., Ltd., Class H <sup>(a)</sup>	HKD	28,500,000	29,141,067
Greatview Aseptic Packaging Co., Ltd.	HKD	45,250,000	22,988,054
Pico Far East Holdings, Ltd.	HKD	48,500,000	<u>14,758,463</u>
<b>Total China / Hong Kong</b>			<u>240,101,187</u>
<b>India (8.8%)</b>			
Infosys, Ltd., Sponsored ADR	USD	5,750,000	87,745,000
Sun Pharma Advanced Research Co., Ltd. <sup>(a)</sup>	INR	7,166,747	37,622,296
Balkrishna Industries, Ltd.	INR	1,403,256	22,309,557
Cyient, Ltd.	INR	2,500,000	<u>18,325,186</u>
<b>Total India</b>			<u>166,002,039</u>
<b>Indonesia (4.2%)</b>			
Astra International Tbk PT	IDR	125,000,000	<u>78,795,601</u>
<b>Total Indonesia</b>			<u>78,795,601</u>
<b>Japan (2.3%)</b>			
Hisamitsu Pharmaceutical Co., Inc.	JPY	806,400	<u>43,138,209</u>
<b>Total Japan</b>			<u>43,138,209</u>
<b>Malaysia (0.7%)</b>			
Hartalega Holdings Bhd	MYR	12,000,000	<u>14,016,687</u>
<b>Total Malaysia</b>			<u>14,016,687</u>
<b>Mexico (5.9%)</b>			
Grupo Financiero Banorte SAB de CV	MXN	11,250,000	66,365,536

October 31, 2016 (Unaudited)

	Currency	Shares	Value
<b>Mexico (continued)</b>			
Bolsa Mexicana de Valores SAB de CV	MXN	16,850,000	\$ 26,967,489
Grupo Herdez SAB de CV	MXN	7,006,171	<u>16,969,605</u>
<b>Total Mexico</b>			<u>110,302,630</u>
<b>Poland (6.5%)</b>			
Bank Pekao SA	PLN	2,400,000	74,050,851
Asseco Poland SA	PLN	1,950,000	26,019,881
PGE Polska Grupa Energetyczna SA	PLN	8,407,327	<u>22,008,092</u>
<b>Total Poland</b>			<u>122,078,824</u>
<b>Singapore (5.6%)</b>			
Singapore Telecommunications, Ltd.	SGD	28,500,000	79,482,480
SIA Engineering Co., Ltd.	SGD	10,000,000	<u>26,522,911</u>
<b>Total Singapore</b>			<u>106,005,391</u>
<b>South Africa (6.1%)</b>			
Sanlam, Ltd.	ZAR	18,500,000	89,675,350
EOH Holdings, Ltd.	ZAR	2,195,000	<u>26,029,888</u>
<b>Total South Africa</b>			<u>115,705,238</u>
<b>South Korea (6.2%)</b>			
Coway Co., Ltd.	KRW	810,000	63,426,699
Dongsuh Cos., Inc.	KRW	1,660,595	39,401,489
Sindoh Co., Ltd.	KRW	318,836	<u>14,628,700</u>
<b>Total South Korea</b>			<u>117,456,888</u>
<b>Taiwan (8.9%)</b>			
Pou Chen Corp.	TWD	47,250,000	63,933,296
Taiwan Semiconductor Manufacturing Co., Ltd.	TWD	8,175,000	48,831,102
Vanguard International Semiconductor Corp.	TWD	22,015,000	44,926,436
Taiwan Semiconductor Manufacturing Co., Ltd., Sponsored ADR	USD	298,670	<u>9,288,637</u>
<b>Total Taiwan</b>			<u>166,979,471</u>
<b>Turkey (2.5%)</b>			
Arcelik AS	TRY	4,000,000	26,423,204

October 31, 2016 (Unaudited)

	Currency	Shares	Value		
<b>Turkey (continued)</b>					
Aselsan Elektronik Sanayi Ve Ticaret AS	TRY	6,490,000	\$ 19,715,925		
<b>Total Turkey</b>			<u>46,139,129</u>		
<b>Vietnam (0.8%)</b>					
Bao Viet Holdings	VND	3,800,000	10,894,593		
Nam Long Investment Corp.	VND	3,470,000	3,380,930		
Vietnam National Reinsurance Corp.	VND	293,470	264,245		
<b>Total Vietnam</b>			<u>14,539,768</u>		
<b>TOTAL COMMON STOCKS</b>					
<b>(Cost \$1,449,429,960)</b>			<u>1,479,013,929</u>		
<b>PREFERRED STOCKS (7.6%)</b>					
<b>Brazil (2.9%)</b>					
Banco Bradesco SA, ADR	USD	5,270,000	54,860,700		
<b>Total Brazil</b>			<u>54,860,700</u>		
<b>South Korea (4.7%)</b>					
Samsung Electronics Co., Ltd.	KRW	77,000	88,624,863		
<b>Total South Korea</b>			<u>88,624,863</u>		
<b>TOTAL PREFERRED STOCKS</b>					
<b>(Cost \$96,358,806)</b>			<u>143,485,563</u>		
<b>FOREIGN CURRENCY CORPORATE BONDS (1.4%)</b>					
<b>Mexico (1.4%)</b>					
America Movil SAB de CV	MXN	6.45%	12/05/22	250,000,000	13,028,411
America Movil SAB de CV	MXN	7.13%	12/09/24	244,710,000	13,071,225
<b>Total Mexico</b>					<u>26,099,636</u>
<b>TOTAL FOREIGN CURRENCY CORPORATE BONDS</b>					
<b>(Cost \$26,885,853)</b>					<u>26,099,636</u>
<b>FOREIGN CURRENCY GOVERNMENT BONDS (2.9%)</b>					
<b>Brazil (1.8%)</b>					
Brazilian Government International Bond	BRL	10.25%	01/10/28	44,000,000	14,266,917

October 31, 2016 (Unaudited)

	Currency	Rate	Maturity Date	Principal Amount	Value
<b>Brazil (continued)</b>					
Brazil Notas do Tesouro Nacional, Series F, Series NTF	BRL	10.00%	01/01/25	65,000,000	\$ 19,712,981
<b>Total Brazil</b>					<u>33,979,898</u>
<b>Indonesia (0.8%)</b>					
Indonesia Treasury Bond, Series FR70	IDR	8.38%	03/15/24	178,500,000,000	14,569,474
<b>Total Indonesia</b>					<u>14,569,474</u>
<b>Turkey (0.3%)</b>					
Turkey Government Bond	TRY	8.80%	09/27/23	20,000,000	6,159,813
<b>Total Turkey</b>					<u>6,159,813</u>
<b>TOTAL FOREIGN CURRENCY GOVERNMENT BONDS</b>					
<b>(Cost \$48,158,281)</b>					<u>54,709,185</u>
<b>USD CORPORATE BONDS (0.9%)</b>					
<b>Brazil (0.9%)</b>					
Cielo SA / Cielo USA, Inc. <sup>(b)</sup>	USD	3.75%	11/16/22	19,000,000	17,901,800
<b>Total Brazil</b>					<u>17,901,800</u>
<b>TOTAL USD CORPORATE BONDS</b>					
<b>(Cost \$16,976,300)</b>					<u>17,901,800</u>
<b>TOTAL INVESTMENTS</b>					
<b>(Cost \$1,637,809,200) (91.3%)</b>					\$ 1,721,210,113
<b>Cash and Other Assets, Less Liabilities (8.7%)</b>					163,051,111
<b>NET ASSETS (100.0%)</b>					<u>\$ 1,884,261,224</u>

Principal Amount is stated in local currency unless otherwise noted.

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

<sup>(b)</sup> Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts securities offered and sold outside of the United States from registration. Such security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. The security has been deemed liquid under guidelines approved by the Fund's Board of Trustees. As of October 31, 2016, the aggregate market value of these securities was \$17,901,800, representing 0.9% of net assets.

October 31, 2016 (Unaudited)

**Currency Abbreviations**

BRL	-	Brazil Real
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

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, 2016 (Unaudited)

	Currency	Shares	Value
<b>COMMON STOCKS (90.2%)</b>			
<b>Brazil (2.4%)</b>			
Qualicorp SA	BRL	17,000	\$ 109,872
<b>Total Brazil</b>			<u>109,872</u>
<b>China / Hong Kong (50.1%)</b>			
First Pacific Co., Ltd.	HKD	282,000	213,803
Melco International Development, Ltd.	HKD	161,000	210,499
WH Group, Ltd. <sup>(a)</sup>	HKD	227,500	184,510
Shangri-La Asia, Ltd.	HKD	160,000	175,977
AMVIG Holdings, Ltd.	HKD	506,000	170,939
Asia Satellite Telecommunications Holdings, Ltd.	HKD	125,500	169,911
Pacific Basin Shipping, Ltd.	HKD	1,130,000	169,014
Pico Far East Holdings, Ltd.	HKD	538,000	163,712
Xtep International Holdings, Ltd.	HKD	359,000	158,310
China Resources Beer Holdings Co., Ltd.	HKD	70,000	148,926
Hang Lung Properties, Ltd.	HKD	62,000	136,862
Texwinca Holdings, Ltd.	HKD	190,000	133,272
Giordano International, Ltd.	HKD	244,000	128,677
Greatview Aseptic Packaging Co., Ltd.	HKD	189,000	96,016
<b>Total China / Hong Kong</b>			<u>2,260,428</u>
<b>Czech Republic (6.8%)</b>			
Pegas Nonwovens SA	CZK	4,900	157,233
Philip Morris CR AS	CZK	300	148,176
<b>Total Czech Republic</b>			<u>305,409</u>
<b>Philippines (3.3%)</b>			
Del Monte Pacific, Ltd.	SGD	606,500	150,399
<b>Total Philippines</b>			<u>150,399</u>
<b>Qatar (3.5%)</b>			
Qatar Gas Transport Co., Ltd.	QAR	25,600	158,948
<b>Total Qatar</b>			<u>158,948</u>
<b>Russia (6.4%)</b>			
Global Ports Investments PLC	USD	56,200	168,038
Cherkizovo Group PJSC, GDR <sup>(a)</sup>	USD	15,000	119,850
<b>Total Russia</b>			<u>287,888</u>

October 31, 2016 (Unaudited)

	Currency	Shares	Value
<b>Singapore (9.9%)</b>			
Wilmar International, Ltd.	SGD	70,000	\$ 166,542
Genting Singapore PLC	SGD	291,000	155,827
SIA Engineering Co., Ltd.	SGD	46,000	<u>122,005</u>
<b>Total Singapore</b>			<u>444,374</u>
<b>Taiwan (3.2%)</b>			
Pou Chen Corp.	TWD	106,000	<u>143,427</u>
<b>Total Taiwan</b>			<u>143,427</u>
<b>Vietnam (4.6%)</b>			
PetroVietnam Technical Services Corp.	VND	125,000	107,512
PetroVietnam Fertilizer & Chemicals JSC	VND	79,000	<u>98,383</u>
<b>Total Vietnam</b>			<u>205,895</u>
<b>TOTAL COMMON STOCKS</b>			
<b>(Cost \$4,015,175)</b>			<u>4,066,640</u>
<b>TOTAL INVESTMENTS</b>			
<b>(Cost \$4,015,175) (90.2%)</b>			\$ 4,066,640
<b>Cash and Other Assets, Less Liabilities (9.8%)</b>			<u>443,017</u>
<b>NET ASSETS (100.0%)</b>			<u>\$ 4,509,657</u>

<sup>(a)</sup> Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts securities offered and sold outside of the United States from registration. Such security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. The security has been deemed liquid under guidelines approved by the Fund's Board of Trustees. As of October 31, 2016, the aggregate market value of these securities was \$304,360, representing 6.7% of net assets.

**Currency Abbreviations**

BRL	-	Brazil Real
CZK	-	Czech Koruna
HKD	-	Hong Kong Dollar
QAR	-	Qatar Rial
SGD	-	Singapore Dollar
TWD	-	Taiwan New Dollar
USD	-	United States Dollar
VND	-	Vietnam Dong

*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, 2016 (Unaudited)

	Seafarer Overseas Growth and Income Fund	Seafarer Overseas Value Fund
<b>ASSETS:</b>		
Investments, at value	\$ 1,721,210,113	\$ 4,066,640
Cash	159,709,755	402,679
Foreign currency, at value (Cost 3,506,536 and 35,200)	3,514,170	35,239
Receivable for investments sold	337,914	-
Receivable for shares sold	3,149,844	125
Receivable due from advisor	-	10,152
Interest and dividends receivable	4,060,694	86
Deferred offering costs	-	34,911
Prepaid expenses and other assets	33,768	36,074
<b>Total Assets</b>	<b>1,892,016,258</b>	<b>4,585,906</b>
<b>LIABILITIES:</b>		
Payable for investments purchased	4,276,688	23
Foreign capital gains tax	854,579	-
Administrative fees payable	84,340	2,024
Shareholder service plan fees payable	310,308	850
Payable for shares redeemed	780,917	-
Investment advisory fees payable	1,172,862	3,009
Payable for chief compliance officer fee	3,135	22
Trustee fees and expenses payable	11,049	53
Payable for principal financial officer fees	1,714	5
Audit and tax fees payable	3,510	10,873
Accrued expenses and other liabilities	255,932	24,479
<b>Total Liabilities</b>	<b>7,755,034</b>	<b>41,338</b>
<b>NET ASSETS</b>	<b>\$ 1,884,261,224</b>	<b>\$ 4,544,568</b>
<b>NET ASSETS CONSIST OF:</b>		
Paid-in capital (Note 5)	\$ 1,800,957,159	\$ 4,427,814
Accumulated net investment income	13,094,168	31,704
Accumulated net realized loss	(12,345,889)	(1,342)
Net unrealized appreciation	82,555,786	51,481
<b>NET ASSETS</b>	<b>\$ 1,884,261,224</b>	<b>\$ 4,509,657</b>
<b>INVESTMENTS, AT COST</b>	<b>\$ 1,637,809,200</b>	<b>\$ 4,015,175</b>
<b>PRICING OF SHARES</b>		
<b>Investor Class:</b>		
Net Asset Value, offering and redemption price per share	\$ 11.91	\$ 10.26
Net Assets	\$ 780,947,020	\$ 169,005
Shares of beneficial interest outstanding	65,544,253	16,466
<b>Institutional Class:</b>		
Net Asset Value, offering and redemption price per share	\$ 11.94	\$ 10.27
Net Assets	\$ 1,103,314,204	\$ 4,340,652
Shares of beneficial interest outstanding	92,366,334	422,738

See accompanying Notes to Financial Statements.

Six Months or Period Ended October 31, 2016 (Unaudited)

	Seafarer Overseas Growth and Income Fund	Seafarer Overseas Value Fund
<b>INVESTMENT INCOME:</b>		
Dividends	\$ 25,054,451	\$ 50,535
Foreign taxes withheld on dividends	(1,939,064)	(1,488)
Interest and other income	3,544,897	468
<b>Total investment income</b>	<b>26,660,284</b>	<b>49,515</b>
<b>EXPENSES:</b>		
Investment advisory fees (Note 6)	5,685,803	12,625
Administrative and transfer agency fees	295,073	13,859
Trustee fees and expenses	13,470	56
Registration/filing fees	37,415	45
Shareholder service plan fees		
Investor Class	527,171	85
Institutional Class	164,754	818
Legal fees	11,200	36
Audit fees	12,247	10,873
Reports to shareholders and printing fees	34,353	275
Custody fees	277,359	17,503
Offering costs	-	25,662
Chief compliance officer fees	16,178	47
Principal financial officer fees	5,041	11
Miscellaneous	9,508	2,225
<b>Total expenses</b>	<b>7,089,572</b>	<b>84,120</b>
Less fees waived/reimbursed by investment advisor (Note 6)		
Investor Class	-	(2,227)
Institutional Class	-	(64,082)
<b>Total net expenses</b>	<b>7,089,572</b>	<b>17,811</b>
<b>NET INVESTMENT INCOME:</b>	<b>19,570,712</b>	<b>31,704</b>
Net realized loss on investments	(490,122)	(3)
Net realized loss on foreign currency transactions	(78,119)	(1,339)
Net realized loss	(568,241)	(1,342)
Net change in unrealized appreciation on investments (net of foreign capital gains tax of 854,579 and -)	47,725,668	51,465
Net change in unrealized appreciation/(depreciation) on translation of assets and liabilities in foreign currency transactions	(52,971)	16
Net unrealized appreciation	47,672,697	51,481
<b>NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS AND FOREIGN CURRENCY TRANSLATIONS</b>	<b>47,104,456</b>	<b>50,139</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$ 66,675,168</b>	<b>\$ 81,843</b>

See accompanying Notes to Financial Statements.

<sup>(a)</sup> The Seafarer Overseas Value Fund launched on May 31, 2016.

	Six Months Ended October 31, 2016 (Unaudited)	Year Ended April 30, 2016
<b>OPERATIONS:</b>		
Net investment income	\$ 19,570,712	\$ 10,446,517
Net realized loss	(568,241)	(12,082,922)
Net change in unrealized appreciation	47,672,697	20,391,822
Net increase in net assets resulting from operations	66,675,168	18,755,417
<b>DISTRIBUTIONS TO SHAREHOLDERS (NOTE 3):</b>		
From net investment income		
Investor Class	\$ (4,993,657)	\$ (2,584,508)
Institutional Class	(5,148,295)	(2,856,743)
From net realized gains on investments		
Investor Class	-	(883,213)
Institutional Class	-	(865,671)
Net decrease in net assets from distributions	(10,141,952)	(7,190,135)
<b>BENEFICIAL INTEREST TRANSACTIONS (NOTE 5):</b>		
Shares sold		
Investor Class	\$ 195,058,945	\$ 641,922,494
Institutional Class	508,841,027	559,784,411
Dividends reinvested		
Investor Class	4,943,226	3,453,383
Institutional Class	3,389,412	2,613,473
Shares Redeemed, net of redemption fees		
Investor Class	(61,907,485)	(95,043,203)
Institutional Class	(41,570,922)	(88,578,872)
Net increase in net assets derived from beneficial interest transactions	608,754,203	1,024,151,686
Net increase in net assets	\$ 665,287,419	\$ 1,035,716,968
<b>NET ASSETS:</b>		
Beginning of period	\$1,218,973,805	\$ 183,256,837
End of period (including accumulated net investment income of \$13,094,168 and \$3,665,408, respectively)	\$1,884,261,224	\$1,218,973,805

	Six Months Ended October 31, 2016 (Unaudited)	Year Ended April 30, 2016
<b>Other Information:</b>		
<b>SHARE TRANSACTIONS:</b>		
<b>Investor Class</b>		
Sold	16,740,735	58,019,970
Distributions reinvested	432,857	324,192
Redeemed	(5,287,744)	(8,922,148)
<b>Net increase in shares outstanding</b>	<b>11,885,848</b>	<b>49,422,014</b>
<b>Institutional Class</b>		
Sold	42,832,451	50,734,276
Distributions reinvested	296,277	243,396
Redeemed	(3,558,802)	(8,430,296)
<b>Net increase in shares outstanding</b>	<b>39,569,926</b>	<b>42,547,376</b>

See accompanying Notes to Financial Statements.

	May 31, 2016 (Inception) to October 31, 2016
<b>OPERATIONS:</b>	
Net investment income	\$ 31,704
Net realized loss	(1,342)
Net change in unrealized appreciation	51,481
Net increase in net assets resulting from operations	81,843
<b>BENEFICIAL INTEREST TRANSACTIONS (NOTE 5):</b>	
Shares sold	
Institutional Class	\$ 5,262,297
Investor Class	166,090
Dividends reinvested	
Institutional Class	-
Investor Class	-
Shares Redeemed, net of redemption fees	
Institutional Class	(1,000,573)
Investor Class	-
Net increase in net assets derived from beneficial interest transactions	4,427,814
Net increase in net assets	\$ 4,509,657
<b>NET ASSETS:</b>	
Beginning of period	\$ -
End of period (including accumulated net investment income of \$31,704, respectively)	\$ 4,509,657
<b>Other Information:</b>	
<b>SHARE TRANSACTIONS:</b>	
<b>Investor Class</b>	
Sold	16,466
Net increase in shares outstanding	16,466
<b>Institutional Class</b>	
Sold	519,547
Redeemed	(96,809)
Net increase in shares outstanding	422,738

See accompanying Notes to Financial Statements.

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## Financial Highlights

For a share outstanding through the periods presented

### Investor Class

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**NET ASSET VALUE, BEGINNING OF PERIOD****INCOME FROM OPERATIONS:**

Net investment income<sup>(a)</sup>

Net realized and unrealized gain/(loss) on investments

---

Total from investment operations

---

**LESS DISTRIBUTIONS:**

From net investment income

From net realized gains on investments

---

Total distributions

---

**REDEMPTION FEES ADDED TO PAID IN CAPITAL**

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**NET INCREASE/(DECREASE) IN NET ASSET VALUE**

---

**NET ASSET VALUE, END OF PERIOD**

---

**TOTAL RETURN<sup>(d)</sup>****SUPPLEMENTAL DATA:**

Net assets, end of period (in 000s)

**RATIOS TO AVERAGE NET ASSETS:**

Operating expenses excluding reimbursement/waiver

Operating expenses including reimbursement/waiver

Net investment income including reimbursement/waiver

**PORTFOLIO TURNOVER RATE<sup>(g)</sup>**

<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, 2015, the Adviser agreed to limit expenses to 1.15%. The Adviser agreed to limit expenses to 1.25% for the period September 1, 2014 through August 31, 2015. Prior to September 1, 2014, the Adviser agreed to limit expenses to 1.40%. (See Note 6).

<sup>(g)</sup> Portfolio turnover rate for periods less than one full year have not been annualized.

Six Months Ended October 31, 2016 (Unaudited)	Year Ended April 30, 2016	Year Ended April 30, 2015	Year Ended April 30, 2014	Year Ended April 30, 2013	February 15, 2012 (Inception) to April 30, 2012
\$ 11.44	\$ 12.64	\$ 11.58	\$ 11.91	\$ 10.18	\$ 10.00
0.15	0.16	0.14	0.19	0.10	0.05
0.41	(1.23)	1.26	0.02	1.74	0.13
0.56	(1.07)	1.40	0.21	1.84	0.18
(0.09)	(0.11)	(0.19)	(0.26)	(0.11)	–
–	(0.02)	(0.15)	(0.28)	(0.00) <sup>(b)</sup>	–
(0.09)	(0.13)	(0.34)	(0.54)	(0.11)	–
0.00 <sup>(c)</sup>	0.00 <sup>(c)</sup>	0.00 <sup>(c)</sup>	0.00 <sup>(c)</sup>	0.00 <sup>(c)</sup>	–
0.47	(1.20)	1.06	(0.33)	1.73	0.18
\$ 11.91	\$ 11.44	\$ 12.64	\$ 11.58	\$ 11.91	\$ 10.18
4.90%	(8.39%)	12.55%	1.93%	18.24%	1.80%
\$ 780,947	\$ 613,795	\$ 53,543	\$ 27,181	\$ 26,348	\$ 1,443
0.99% <sup>(e)</sup>	1.14%	1.30%	1.78%	2.82%	18.96% <sup>(e)</sup>
0.99% <sup>(e)</sup>	1.14% <sup>(f)</sup>	1.30% <sup>(f)</sup>	1.40%	1.49%	1.60% <sup>(e)</sup>
2.59% <sup>(e)</sup>	1.50%	1.19%	1.66%	0.90%	2.61% <sup>(e)</sup>
4%	7%	28%	51%	39%	5%

See accompanying Notes to Financial Statements.

## Financial Highlights

For a share outstanding through the periods presented

### Institutional Class

---

**NET ASSET VALUE, BEGINNING OF PERIOD****INCOME FROM OPERATIONS:**

Net investment income<sup>(a)</sup>

Net realized and unrealized gain/(loss) on investments

---

Total from investment operations

**LESS DISTRIBUTIONS:**

From net investment income

From net realized gains on investments

---

Total distributions

---

**REDEMPTION FEES ADDED TO PAID IN CAPITAL**

---

**NET INCREASE/(DECREASE) IN NET ASSET VALUE**

---

**NET ASSET VALUE, END OF PERIOD**

---

**TOTAL RETURN<sup>(d)</sup>****SUPPLEMENTAL DATA:**

Net assets, end of period (in 000s)

**RATIOS TO AVERAGE NET ASSETS:**

Operating expenses excluding reimbursement/waiver

Operating expenses including reimbursement/waiver

Net investment income including reimbursement/waiver

**PORTFOLIO TURNOVER RATE<sup>(g)</sup>**

<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 Adviser agreed to limit expenses to 1.05%. Prior to September 1, 2014, the Adviser agreed to limit expenses to 1.25%. (See Note 6).

<sup>(g)</sup> Portfolio turnover rate for periods less than one full year have not been annualized.

Six Months Ended October 31, 2016 (Unaudited)	Year Ended April 30, 2016	Year Ended April 30, 2015	Year Ended April 30, 2014	Year Ended April 30, 2013	February 15, 2012 (Inception) to April 30, 2012
\$ 11.46	\$ 12.66	\$ 11.59	\$ 11.91	\$ 10.18	\$ 10.00
0.15	0.19	0.15	0.21	0.14	0.04
0.42	(1.26)	1.28	0.02	1.71	0.14
0.57	(1.07)	1.43	0.23	1.85	0.18
(0.09)	(0.12)	(0.21)	(0.27)	(0.12)	–
–	(0.02)	(0.15)	(0.28)	(0.00) <sup>(b)</sup>	–
(0.09)	(0.14)	(0.36)	(0.55)	(0.12)	–
0.00 <sup>(c)</sup>	0.01	0.00 <sup>(c)</sup>	0.00 <sup>(c)</sup>	0.00 <sup>(c)</sup>	–
0.48	(1.20)	1.07	(0.32)	1.73	0.18
\$ 11.94	\$ 11.46	\$ 12.66	\$ 11.59	\$ 11.91	\$ 10.18
4.99%	(8.32%)	12.76%	2.12%	18.33%	1.80%
\$ 1,103,314	\$ 605,178	\$ 129,714	\$ 46,624	\$ 11,486	\$ 1,346
0.88% <sup>(e)</sup>	1.03%	1.18%	1.61%	2.88%	21.65% <sup>(e)</sup>
0.88% <sup>(e)</sup>	1.03%	1.10% <sup>(f)</sup>	1.25%	1.35%	1.45% <sup>(e)</sup>
2.55% <sup>(e)</sup>	1.72%	1.30%	1.89%	1.28%	2.00% <sup>(e)</sup>
4%	7%	28%	51%	39%	5%

See accompanying Notes to Financial Statements.

For a share outstanding through the period presented

Investor Class	May 31, 2016 (Inception) to October 31, 2016	
<b>NET ASSET VALUE, BEGINNING OF PERIOD</b>	\$	10.00
<b>INCOME FROM OPERATIONS:</b>		
Net investment income <sup>(a)</sup>		0.07
Net realized and unrealized gain on investments		0.19
Total from investment operations		0.26
<b>NET INCREASE IN NET ASSET VALUE</b>		0.26
<b>NET ASSET VALUE, END OF PERIOD</b>	\$	10.26
<b>TOTAL RETURN<sup>(b)</sup></b>		2.60%
<b>SUPPLEMENTAL DATA:</b>		
Net assets, end of period (in 000s)	\$	169
<b>RATIOS TO AVERAGE NET ASSETS:</b>		
Operating expenses excluding reimbursement/waiver		5.10% <sup>(c)</sup>
Operating expenses including reimbursement/waiver		1.15% <sup>(c)</sup>
Net investment income including reimbursement/waiver		1.59% <sup>(c)</sup>
<b>PORTFOLIO TURNOVER RATE<sup>(d)</sup></b>		0%

<sup>(a)</sup> Calculated using the average shares method.

<sup>(b)</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>(c)</sup> Annualized.

<sup>(d)</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 period presented

Institutional Class	May 31, 2016 (Inception) to October 31, 2016	
<b>NET ASSET VALUE, BEGINNING OF PERIOD</b>	\$	10.00
<b>INCOME FROM OPERATIONS:</b>		
Net investment income <sup>(a)</sup>		0.08
Net realized and unrealized gain on investments		0.19
Total from investment operations		0.27
<b>NET INCREASE IN NET ASSET VALUE</b>		0.27
<b>NET ASSET VALUE, END OF PERIOD</b>	\$	10.27
<b>TOTAL RETURN<sup>(b)</sup></b>		2.70%
<b>SUPPLEMENTAL DATA:</b>		
Net assets, end of period (in 000s)	\$	4,341
<b>RATIOS TO AVERAGE NET ASSETS:</b>		
Operating expenses excluding reimbursement/waiver		4.97% <sup>(c)</sup>
Operating expenses including reimbursement/waiver		1.05% <sup>(c)</sup>
Net investment income including reimbursement/waiver		1.89% <sup>(c)</sup>
<b>PORTFOLIO TURNOVER RATE<sup>(d)</sup></b>		0%

<sup>(a)</sup> Calculated using the average shares method.

<sup>(b)</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>(c)</sup> Annualized.

<sup>(d)</sup> Portfolio turnover rate for periods less than one full year have not been annualized.

See accompanying Notes to Financial Statements.

## NOTES TO FINANCIAL STATEMENTS

### 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"). The Trust consists of multiple separate portfolios or series. This semi-annual report describes the Seafarer Overseas Growth and Income Fund and the Seafarer Overseas Value Fund (individually a "Fund" and collectively, the "Funds"). The Seafarer Overseas Growth and Income 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 Seafarer Overseas Value Fund seeks to provide long-term capital appreciation. The Funds offers Investor Class and Institutional Class shares.

### 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 Funds are considered an investment company for financial reporting purposes under U.S. GAAP. The following is a summary of significant accounting policies consistently followed by the Funds in preparation of its financial statements.

#### Investment Valuation

Each 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"). Each Fund uses 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 Funds' valuation procedures set forth certain triggers that inform each 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. Corporate bonds and convertible bonds are valued using market models that consider trade data, quotations from dealers and active market makers, relevant yield curve and spread data, creditworthiness, trade data or market information on comparable securities, and other relevant

October 31, 2016 (Unaudited)

security specific information. Publicly traded foreign government debt securities and foreign corporate bonds are typically traded internationally in the over-the-counter market and are valued at the mean between the bid and asked prices as of the close of business of that market.

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 Seafarer Capital Partners, LLC (the "Adviser") 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 each Fund based on unrealized appreciation, if any, on affected securities. The tax is paid when the gain is realized.

### **Fair Value Measurements**

Each 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 Funds' 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 the Funds have 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 Funds' 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.

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The following is a summary of the inputs used to value each Fund as of October 31, 2016:

Investments in Securities at Value <sup>(a)</sup>	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
<b>Seafarer Overseas Growth and Income Fund</b>				
Common Stocks	\$1,479,013,929	\$ -	\$ -	\$1,479,013,929
Preferred Stocks	143,485,563	-	-	143,485,563
Foreign Currency				
Corporate Bonds	-	26,099,636	-	26,099,636
Foreign Currency				
Government Bonds	-	54,709,185	-	54,709,185
USD Corporate Bonds	-	17,901,800	-	17,901,800
Total	\$1,622,499,492	\$ 98,710,621	\$ -	\$1,721,210,113

Investments in Securities at Value <sup>(a)</sup>	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
<b>Seafarer Overseas Value Fund</b>				
Common Stocks	\$ 4,066,640	\$ -	\$ -	\$ 4,066,640
Total	\$ 4,066,640	\$ -	\$ -	\$ 4,066,640

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

The Funds recognize transfers between levels as of the end of the period. For the six months or period ended October 31, 2016, the Funds did not have any securities that used significant unobservable inputs (Level 3) in determining fair value.

Each Fund utilizes 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 period date, it results in certain securities transferring from a Level 1 to a Level 2 classification. The transfer amounts disclosed in the preceding table represent the value of the securities as of October 31, 2016 transferred in/(out) of Level 1 and Level 2 during the reporting period that were also held at April 30, 2016.

### 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 Funds. 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.

### Cash Management Transactions

Each of the Funds subscribes to the Brown Brothers Harriman & Co. ("BBH") Cash Management Service ("CMS"), whereby cash balances are automatically swept into overnight offshore demand deposits with either the BBH Grand Cayman branch or a branch of a pre-approved commercial bank. This fully automated program allows the Funds to earn interest on cash balances. Excess cash with deposit

October 31, 2016 (Unaudited)

institutions domiciled outside of the U.S. are subject to sovereign actions in the jurisdiction of the deposit institution including, but not limited to, freeze, seizure or diminution. Cash balances in the BBH CMS are included on the Statement of Assets and Liabilities under Cash and Foreign Currency, at value. As of October 31, 2016, the Funds had the following cash balances participating in the BBH CMS:

**Fund**

Seafarer Overseas Growth and Income Fund	\$ 159,709,755
Seafarer Overseas Value Fund	402,679

As of October 31, 2016, the Funds had the following foreign cash balances participating in the BBH CMS (cost and value of foreign cash balances are equal):

**Fund**

Seafarer Overseas Growth and Income Fund	\$ 0
Seafarer Overseas Value Fund	29,325

**Foreign Securities**

The Funds 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 revaluation 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 Funds 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**

Each 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 Funds. Expenses which cannot be directly attributed to the Funds are apportioned among all funds in the Trust based on the average daily net assets of each fund.

October 31, 2016 (Unaudited)

## Fund and Class Expenses

Expenses that are specific to a Fund or class of shares of a Fund, including shareholder servicing fees, are charged directly to that Fund or share class. Expenses that are common to all Funds are generally allocated among the Funds in proportion to their average daily net assets.

## Federal Income Taxes

Each 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 Funds are not subject to income taxes to the extent such distributions are made.

As of and during the six months or period ended October 31, 2016, the Funds did not have a liability for any unrecognized tax benefits. The Funds file U.S. federal, state, and local tax returns as required. The Funds' 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

In general, the Seafarer Overseas Growth and Income Fund's policy is to distribute to its shareholders substantially all net investment income, paid out via two semi-annual dividends, in June and December. The Seafarer Overseas Value Fund's policy is to distribute to its shareholders substantially all net investment income via one annual dividend in December. It is also each Fund's policy to distribute annually all net realized short-term and long-term capital gains, if any, after offsetting any capital loss carryovers. Income dividend distributions are derived from dividends and other income each Fund receives from its investments, including short term capital gains. Long term capital gain distributions are derived from gains realized when a Fund sells a security it has owned for more than one year. Each Fund may make additional distributions and 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, 2016, 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	\$ 1,638,559,413	\$ 186,954,900	\$ (104,304,200)	\$ 82,650,700
Seafarer Overseas Value Fund	4,015,175	194,349	(142,884)	51,465

### 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 Funds.

The tax character of distributions paid by the Seafarer Overseas Growth and Income Fund for the fiscal year ended April 30, 2016, were as follows:

October 31, 2016 (Unaudited)

	Ordinary Income	Long-Term Capital Gain
Seafarer Overseas Growth and Income Fund	\$ 1,973,654	\$ 1,573,580

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, 2016.

#### 4. Securities Transactions

The cost of purchases and proceeds from sales of securities excluding short term securities during the six months or period ended October 31, 2016, were as follows:

	Purchases of Securities	Proceeds From Sales of Securities
Seafarer Overseas Growth and Income Fund	\$ 606,841,432	\$ 56,060,842
Seafarer Overseas Value Fund	4,015,175	-

#### 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 shares of the Funds 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 transferable and redeemable at the option of the shareholder. Purchasers of the shares do not have any obligation to make payments to the Trust or its creditors solely by reason of the purchasers' ownership of the shares. Shares have no pre-emptive rights.

Prior to August 31, 2016, 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. Effective August 31, 2016, the Funds no longer impose a redemption fee. During the six months or period ended October 31, 2016, and the year ended April 30, 2016, the Funds retained the following redemption fees:

Fund	Six Months Ended October 31, 2016 (Unaudited)	Year ended April 30, 2016
Seafarer Overseas Growth and Income Fund		
Investor Class	\$40,363	\$136,085
Institutional Class	49,013	152,697
Seafarer Overseas Value Fund <sup>(a)</sup>		
Investor Class	-	-
Institutional Class	-	-

<sup>(a)</sup> The Seafarer Overseas Value Fund launched on May 31, 2016.

#### 6. Management and Related Party Transactions

The Adviser, subject to the authority of the Board, is responsible for the overall management and administration of the Funds' business affairs. The Adviser manages the investments of the Funds in accordance with the Funds' investment objectives, policies, limitations and investment guidelines established jointly by the Adviser and the Trustees. Pursuant to the investment advisory agreement, the Funds, in the aggregate, pay the Adviser an annual management fee of 0.75% of the aggregate average

October 31, 2016 (Unaudited)

daily net assets of the Funds up to \$1.5 billion and 0.70% of the aggregate average daily net assets of the Funds over \$1.5 billion. Each Fund pays the Adviser a monthly fee at the annual rate using the applicable management fee calculated based on the Fund's pro rata share of the Funds' average daily net assets. Prior to August 31, 2016, the Funds paid the Adviser an annual management fee of 0.75% of the aggregate average daily net assets of the Funds. The management fee is paid on a monthly basis.

Effective September 1, 2014, the Adviser contractually agreed to limit certain Fund expenses (excluding brokerage expenses, interest expenses, taxes and extraordinary expenses), to 1.25% and 1.05% of the Funds' average daily net assets in the Investor and Institutional share classes, respectively, through August 31, 2015. Effective September 1, 2015, the Adviser 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 1.15% and 1.05% of the Funds' average daily net assets for the Investor and Institutional share classes respectively. This agreement (the "Expense Agreement") is in effect through August 31, 2017. The Adviser will be permitted to recover, on a class-by-class basis, expenses it has borne through the Expense Agreement to the extent that the Funds' expenses in later periods fall below the expense cap in effect at the time of waiver or reimbursement. The Funds will not be obligated to pay any such deferred fees and expenses more than three years after the end of the fiscal year(s) in which the fees and expenses were deferred. This agreement may not be terminated or modified prior to August 31, 2017, except with the approval of the Funds' Board. During the six months or period ended October 31, 2016, the Adviser agreed that it will only seek to recoup waived management fees and will not recoup any reimbursed expenses. As of October 31, 2016, the Adviser has recouped all available waived management fees from the Seafarer Overseas Growth and Income Fund.

For the period ended October 31, 2016, the fee waivers and/or reimbursements were as follows for the Seafarer Overseas Value Fund:

Fund	Fees Waived/ Reimbursed By Adviser
<b>Seafarer Overseas Value Fund<sup>(a)</sup></b>	
Investor Class	\$ 2,227
Institutional Class	64,082

<sup>(a)</sup> The Seafarer Overseas Value Fund launched on May 31, 2016.

As of October 31, 2016, the balances of recoupable expenses for each class were as follows for the Funds:

Fund	Expires 2016	Expires 2017	Expires 2018	Total
<b>Seafarer Overseas Growth and Income Fund</b>				
Investor Class	\$ -	\$ -	\$ -	-
Institutional Class	-	-	-	-
<b>Seafarer Overseas Value Fund</b>				
Investor Class	-	-	-	-
Institutional Class	-	-	-	-

### Fund Administrator

ALPS Fund Services, Inc. ("ALPS" and the "Administrator") (an affiliate of ALPS Distributors, Inc.) provides administrative, fund accounting and other services to the Funds under the Administration, Bookkeeping and Pricing Services Agreement with the Trust.

*October 31, 2016 (Unaudited)*

The Funds' administrative fee is accrued on a daily basis and paid monthly. The Administrator is also reimbursed by the Funds for certain out-of-pocket expenses. Administration fees paid by the Funds for the six months or period ended October 31, 2016 are disclosed in the Statements of Operations.

### **Transfer Agent**

ALPS serves as transfer, dividend paying and shareholder servicing agent for the Funds ("Transfer Agent"). ALPS is paid an annual base fee per Fund and a fee based on the number of shareholder accounts. The Transfer Agent is also reimbursed by the Funds for certain out-of-pocket expenses. Transfer agent fees paid by the Funds for the six months or period ended October 31, 2016 are disclosed in the Statements of Operations.

### **Compliance Services**

ALPS provides compliance services to the Funds under the Chief Compliance Officer Services Agreement with the Trust. ALPS provides services that assist the Trust's chief compliance officer in monitoring and testing the policies and procedures of the Trust in accordance with the requirements of Rule 38a-1 under the 1940 Act. ALPS is paid an annual base fee and is reimbursed for certain out-of-pocket expenses. Compliance service fees paid by the Funds for the six months or period ended October 31, 2016 are disclosed in the Statements of Operations.

### **Principal Financial Officer**

ALPS provides principal financial officer services to the Funds under the Principal Financial Officer Services Agreement with the Trust. Under this Agreement, ALPS is paid an annual base fee and is reimbursed for certain out-of-pocket expenses. Principal financial officer fees paid by the Funds for the six months or period ended October 31, 2016 are disclosed in the Statements of Operations.

### **Distributor**

ALPS Distributors, Inc. ("ADI" or the "Distributor") (an affiliate of ALPS) acts as the distributor of the Funds' 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 per Fund 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 Funds, and ADI has agreed to use its best efforts to solicit orders for the sale of the Funds' shares, although it is not obliged to sell any particular amount of shares. ADI is registered as a broker-dealer with the U.S. Securities and Exchange Commission.

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

Each Fund has adopted a Shareholder Services Plan (a "Services Plan") for each of its share classes. Under the Services Plan, each Fund is authorized to enter into shareholder service agreements with investment advisers, financial institutions and other service providers ("Participating Organizations") to maintain and provide certain administrative and servicing functions in relation to the accounts of shareholders. Shareholder service arrangements typically include processing orders for shares, generating account and confirmation statements, sub-accounting, account maintenance, tax reporting, and disbursing cash dividends as well as other investment or administrative services required for the particular Participating Organizations' products, programs, platform and accounts. The Services Plan will cause each 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 payments 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 the Participating Organization. Any amount of such payment not paid to a Participating Organization during a 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. Shareholder service plan fees paid by each Fund for the six months or period ended October 31, 2016 are disclosed in the Statements of Operations.

## 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.

## ADDITIONAL INFORMATION

### I. Fund Holdings

Each 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 Funds' 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 Funds' policies and procedures used in determining how to vote proxies and information regarding how the Funds 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>.

## DISCLOSURE REGARDING APPROVAL OF FUND ADVISORY AGREEMENT

On December 15, 2015, the Trustees met in person to discuss, among other things, the approval of the investment advisory agreement between the Trust and Seafarer Capital Partners, LLC (the "Adviser," "Seafarer") (the "Investment Advisory Agreement"), in accordance with Section 15(c) of the Investment Company Act of 1940, as amended. The Independent Trustees met with independent legal counsel during executive session and discussed the Investment Advisory Agreement and other related materials. In approving the Investment Advisory Agreement with the Adviser, the Trustees, including the Independent Trustees, considered the following factors with respect to the Seafarer Overseas Value Fund (the "Value Fund"):

### Investment Advisory Fee Rate

The Trustees reviewed and considered the contractual annual advisory fee paid by the Trust, on behalf of the Value Fund, to Seafarer of 0.75% of the Value Fund's average daily net assets, in light of the extent and quality of the advisory services provided by Seafarer to the Value Fund.

The Board received and considered information including a comparison of the Value Fund's contractual and actual management fees and overall expenses with those of funds in the expense group and universes of funds selected by an independent provider of investment company data (the "Data Provider"). The Trustees noted that the contractual management fee rate for the Value Fund was below the average and median contractual management fee rates of the Data Provider expense group.

### Total Expense Ratios

Based on such information, the Trustees further reviewed and considered the total expense ratio (after waivers) of 1.05% for the Institutional Class of Value Fund. The Trustees noted that the Value Fund's total expense ratio (after waivers) was below the average and median total expense ratios of the Data Provider expense group.

### Nature, Extent and Quality of the Services under the Investment Advisory Agreement

The Trustees received and considered information regarding the nature, extent and quality of services to be provided to the Value Fund under the Investment Advisory Agreement. The Trustees reviewed certain background materials supplied by Seafarer in its presentation, including its Form ADV.

The Trustees reviewed and considered Seafarer's investment advisory personnel, its history as an asset manager and its performance and the amount of assets currently under management by Seafarer and its affiliated entities. The Trustees also reviewed the research and decision-making processes utilized by Seafarer, including the methods adopted to seek to achieve compliance with the investment objectives, policies and restrictions of the Value Fund.

The Trustees considered the background and experience of Seafarer's management in connection with the Value Fund, including reviewing the qualifications, backgrounds and responsibilities of the management team primarily responsible for the day-to-day portfolio management of the Value Fund and the extent of the resources devoted to research and analysis of actual and potential investments.

The Trustees also reviewed, among other things, Seafarer's insider trading policies and procedures and its Code of Ethics.

### Performance

The Trustees noted that since the Value Fund has not yet begun operations, there is no performance of the Value Fund to be reviewed or analyzed at this time. The Trustees further considered Seafarer's reputation generally and its investment techniques, risk management controls and decision-making processes.

## Comparable Accounts

The Trustees noted certain information provided by Seafarer regarding fees charged to other Seafarer clients and considered Seafarer's statements indicating that there were no clients with investment mandates directly comparable to that of the Value Fund.

## Profitability

The Trustees received and considered a projected profitability analysis through September 30, 2016 prepared by Seafarer based on the fees to be payable under the Investment Advisory Agreement with respect to the Value Fund. The Trustees considered the profits, if any, anticipated to be realized by Seafarer in connection with the operation of the Value Fund. The Board then reviewed Seafarer's unaudited financial statements, including profit and loss statements for the fiscal year 2014 and the period of October 1, 2014 to September 30, 2015 and balance sheets as of December 31, 2014 and September 30, 2015 in order to analyze the financial condition and stability and profitability of Seafarer.

## Economies of Scale

The Trustees considered whether economies of scale in the provision of services to the Value Fund will be passed along to the shareholders under the proposed agreements.

## Other Benefits to the Adviser

The Trustees reviewed and considered any other incidental benefits to be derived by Seafarer from its relationship with the Value Fund, including whether soft dollar arrangements were used.

In approving Seafarer as the Value Fund's investment adviser and approving the Investment Advisory Agreement and the fees charged under the Investment Advisory Agreement, the Trustees concluded that no single factor reviewed by the Trustees was identified by the Trustees to be determinative as the principal factor in whether to approve the Investment Advisory Agreement. Further, the Independent Trustees were advised by separate independent legal counsel throughout the process. The Trustees, including all of the Independent Trustees, concluded that:

- the contractual management fee rate was below the average and median expense group contractual management fee rate for the Value Fund;
- the terms of the proposed fee waiver/expense reimbursement letter agreement between the Trust, on behalf of the Value Fund, and Seafarer, were reasonable;
- the total expense ratio (after waivers) was below the average and median expense group total expense ratios (after waivers) for the Value Fund;
- the nature, extent and quality of services to be rendered by Seafarer under the Investment Advisory Agreement with respect to the Value Fund were adequate;
- since the Value Fund has not yet begun operations, there is no performance of the Value Fund to be reviewed or analyzed at this time;
- bearing in mind the limitations of comparing different types of managed accounts and the different levels of service typically associated with such accounts, the fee structures applicable to Seafarer's other clients were not indicative of any unreasonableness with respect to the advisory fees proposed to be payable by the Value Fund;
- the profit, if any, to be realized by Seafarer in connection with the operation of the Value Fund is not unreasonable to the Value Fund; and
- there were no material economies of scale or other incidental benefits accruing to Seafarer in connection with its relationship with the Value Fund.

During the review process, the Trustees noted certain instances where clarification or follow-up was appropriate and others where the Trustees determined that further clarification or follow-up was not necessary. In those instances where clarification or follow-up was requested, the Board determined that in each case either information responsive to its requests had been provided, or where any request was outstanding in whole or in part, given the totality of the information provided with respect to the Investment Advisory Agreement, the Board had received sufficient information to renew and approve the Investment Advisory Agreement.

Based on the Trustees' deliberations and their evaluation of the information described above, the Trustees, including all of the Independent Trustees, concluded that Seafarer's compensation for investment advisory services is consistent with the best interests of the Value Fund and its shareholders.





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