



# Seafarer Overseas Growth and Income Fund

Investor Class SFGIX  
Institutional Class SIGIX

## SEMI-ANNUAL REPORT

---

October 31, 2012



## TABLE OF CONTENTS

Letter to Shareholders	I
Portfolio Review	5
Disclosure of Fund Expenses	14
Portfolio of Investments	15
Statement of Assets and Liabilities	20
Statement of Operations	21
Statement of Changes in Net Assets	22
Financial Highlights	24
Notes to Financial Statements	26
Additional Information	34

October 31, 2012 (Unaudited)

## LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

I am pleased to address you again on behalf of the Seafarer Overseas Growth and Income Fund.

During the first six months of the Fund's 2012-13 fiscal year (May 1 – October 31), the Investor and Institutional share classes of the Fund gained 7.13% and 7.16%, respectively. By comparison, the Fund's benchmark, the MSCI Emerging Markets Total Return Index,<sup>1</sup> declined -1.01%. The team at Seafarer is pleased with the Fund's performance to date; however, we are cognizant the Fund is very new, and that our work has only just begun.

### Valuations

A brief note on current market conditions: in the preceding letter to shareholders, I stated, "valuations on emerging equities are very appealing." I draw your attention to that remark because conditions today are somewhat different. Valuations on many emerging market equities have risen, even if the index has not. In the meantime, the growth of profits, while still positive, has decelerated. In my own opinion, stock valuations are now broadly fair.

To be sure, valuations are not excessive when judged relative to history or the potential for future growth. Yet they are no longer especially attractive, in light of both well-known risks (e.g., slow growth in Europe and the possible dis-integration of the Euro; China's slowing growth; and fiscal problems in the U.S.) and less-appreciated threats (e.g. the potential for conflict in Syria, Iran or the South China seas). More subtly, it is my opinion that the consensus forecast for profit growth in the emerging world has crept beyond reality. Disappointment will likely ensue, and if I am correct, stocks will gyrate. Investors who wish to safeguard a reasonable expectation of profits should be prepared to hold over a long horizon – at least three years – and through what may be considerable volatility.

### China's Future

In the preceding letter to shareholders, I discussed the changing nature of China's economy. I made two points: first, the rate of growth in China is declining, and because the deceleration stems from structural causes (as opposed to cyclical ones), it will most likely be permanent. Second, the nature of China's growth model is also changing, moving away from external and infrastructure sectors, and moving toward sectors that favor domestic demand, human capital, and especially services. I am going to revisit China's evolution here, not only because it warrants your attention, but also because – to state the obvious! – it is highly complex, and challenging to navigate within the context of a long-term investment portfolio.

The pace of China's growth is slowing amid transition, but its economy still has plenty of untapped capacity to grow, and perhaps in a more sustainable fashion. This latent potential is most visible in the country's stunted and underdeveloped services sector, which in my view is leading the current transition. By "services," I mean a broad spectrum of industries, comprising the consumer (e.g. health care, tourism and leisure); commercial (e.g. media, advertising, publishing, distribution, data processing, software and personnel management); and industrial (e.g. transport, logistics, pollution abatement, systems management).

### Bright Prospects

China's modern economy is decidedly pluralistic. However, over the past six decades, the country's leadership has mostly favored a command-style system, and it has used its control over the economy to steer resources towards tangible, scalable manufacturing industries. The leadership's intent was to induce growth and employment; yet it has resulted in an economic model that, in my view, is unbalanced, as it is overly reliant on exports, construction, and investments in physical infrastructure. By contrast, China's leadership has mostly overlooked (and perhaps even fears) the small-scale, intangible, information-intensive industries that comprise the services sector.

*October 31, 2012 (Unaudited)*

The consequence of this is that China's modern service sector is puny by any reasonable measure. I estimate the private service sector comprises roughly one third of total output, whereas the equivalent ratio is 68% in the U.S.<sup>2</sup> The low proportion of services within the economy means that if China can encourage growth in the sector – or at least not hinder it – it has plenty of room to expand.

In this respect, I believe present-day China is possibly analogous to the U.S. in 1947. Sixty-five years ago, private sector services accounted for only 48% of U.S. GDP.<sup>3</sup> For the next six and a half decades, the service sector led our country's growth, such that it now accounts for over two-thirds of output.<sup>4</sup> I believe China's evolution will follow a similar path, and indeed the evidence already suggests as much: data from China's National Bureau of Statistics indicates that China's tertiary sector (comprised mainly of service industries) has recently outpaced the country's vaunted industrial sector. Since at least 2003, the former expanded at a compounded rate of 15.5% (measured in nominal terms), whereas the latter grew at a 15.1% rate. Meanwhile, China's leadership also seems to acknowledge that the services sector will make an important contribution to future growth. The Central Committee's current five-year plan (2011- 2015) prescribes long-term targets whereby the services sector would account for 70% of the country's output.<sup>5</sup> In addition, the plan elevates seven key industries – three of which are service-based – and "nurtures" them until they become "pillars" of the economy.<sup>6</sup>

## Dark Clouds

Clearly, I remain enthusiastic about China's economic prospects, especially its service sector; I only wish investing in the country was so simple! Obviously it is not. China faces myriad challenges, encompassing social, political, economic and environmental ills. Most are well known. There are, however, two threats to China's future that I believe receive insufficient attention: the growing potential for military conflict; and the weakening grasp of the ruling party.

First, regarding the potential for conflict: I think it is unlikely China will go to war; but I cannot dismiss the possibility altogether. If China does engage in a major conflict, clearly it will pose a grave threat to the country's future (to say nothing of stock markets around the world).

A casual survey of Chinese history suggests that most analysts perceive China as a peaceful power, at least with respect to cross-border conflict. History bears this out: China has occasionally fought lesser wars with its neighbors, but most of its conflicts and intrigues have been confined to its interior. China has always perceived itself as Asia's central power – it is known as the Middle Kingdom – and historically it has held sway over a network of neighboring states that paid tribute to the center.

Many analysts appear comfortable with the assumption that China will remain a peaceful power amid its rise. I am not so sure: I don't think the country's past necessarily prescribes its future. Admittedly, my experience in China is limited, and is that of an outsider. Yet I worry about many things: I worry that the country's hunger for resources will drive it to become overly assertive; I worry that a substantial portion of the country's newfound wealth has been channeled into military spending; I worry that claims to seas and lands around greater China have complex and disputed origins; I worry that a large populace within China is restless, frustrated by a deep socio-economic divide and cut off from their roots, courtesy of the Cultural Revolution. Most of all I worry that China's civilian leadership is struggling to retain its mandate amid economic challenges and scandalous corruption. I am concerned that the leadership will find it convenient to deflect criticism by cultivating chauvinist and bellicose politics.

I do not know whether the Diaoyu Islands will become the flashpoint for conflict. However, events there and elsewhere reveal a new actor: a powerful, modern state eager to assert its interests. Consequently, I assess the probability of conflict there or elsewhere as low, but well above zero. What surprises me is the seemingly relaxed stance of the global investment community. When I began my investment career fourteen years ago, the leading question I received from investors – ahead of every economic and financial issue – was whether war would break out between Beijing and Taipei. I rarely hear concerns about conflict today. Back then, I responded confidently that China's growth meant it had too much to lose. Perhaps my old argument still holds; but I worry that the balance of power has grown far more complex. I do not advise retreat from China's markets, but I urge investors to observe events carefully, and to proceed with caution.

*October 31, 2012 (Unaudited)*

Another matter plagues China today, and constitutes a more present threat to the country's stability: the slipping grasp of the country's leadership. As of the date of this report, China had nearly completed its once-per-decade transition in government. It did so under an astonishing cloud of scandal and venality. In my view, the country needs to cut a clear path toward reform and a greater degree of openness. However, the Communist Party of China (CPC) appears to be "circling the wagons" to protect its interests. Certain CPC members appear to have been shielded from scrutiny via patronage; meanwhile, the state-backed segment of the economy has literally been given a bigger seat at the table, as more captains of state-owned companies were "elected" to the 205-member Central Committee than ever before.

I find this shift in China's direction worrisome, and the country's top leadership is seemingly concerned, too. In one of his outgoing speeches, President Hu Jintao warned that if the party did not address its deficiencies head on, it could instigate "the fall of the state and the party."<sup>7</sup> Hu then used his influence to have his personal doctrine of the "scientific concept of development" enshrined in his party's constitution, in a bid to ensure his legacy. There is a certain irony in the notion of the term "scientific development." By it, President Hu means to favor the adoption of pragmatic policies that are unburdened by ideology. This is laudable. Yet what China's leadership needs, now more than ever, is a truly scientific disposition: an abiding sense of curiosity; an openness to experimentation; a commitment to transparency; and a constant ability to adjust to reality, as informed by evidence.

I am told that President Hu and the leadership mean quite the opposite. They equate "scientific" with "systematic," and they intend to curtail experimentation, not promote it. Several analysts have commented that Hu's speeches during the handover effectively put his successors in the equivalent of a political straightjacket.<sup>8</sup> Hu prescribed narrow limits for acceptable reform; much was left off the table, including the state-backed economy, along with the CPC itself. Unfortunately, it appears the leadership now associates political experimentation with the rogue dealings and cowboy-like leadership of the now disgraced Bo Xilai. The consequence is that rather than embrace change, the party appears set to pursue a closed approach that bears little resemblance to "science."

For all my concerns, though, there is ample room for hope. I remain impressed that reform-minded factions within China continue to quietly win small but cumulatively meaningful battles, freeing up markets and relaxing central control over the economy. On balance, I still see more promise than pitfall – but the path forward is narrowing, and the footing treacherous. Investors must watch carefully where the country steps next.

## Seafarer's Present

Leaving aside China's complex future, and moving to Seafarer's simple present: we are happy to have gotten our business off the ground, and to have achieved a measure of progress. In launching our firm, we harbored no illusions: we knew it would be a challenging, long-term endeavor. I can report that the firm's growth has surpassed our expectation, and we are pleased to have many new shareholders subscribe to the Fund. We are enthusiastic for the future, and we are honored by the trust each shareholder has placed in us. We will work to earn that trust.

The notion of progress is central to our investment philosophy at Seafarer. We invest in the developing world because it is steeped in growth and change. Individuals and families are striving to improve the conditions of their lives. That act – striving to meaningfully better one's circumstances, and one's society – is what begets progress. Some portion of that progress spills over to corporate profits, and to the value of companies. This is ultimately what we attempt to capture in our portfolios: the value that arises from the progress and growth of the developing world.

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

*Andrew Foster*  
Chief Investment Officer  
Seafarer Capital Partners, LLC  
November 12, 2012

*See notes on following page.*

October 31, 2012 (Unaudited)

*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.*

- <sup>1</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. The MSCI Emerging Markets Total Return Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. Index code: GDUEEGF. It is not possible to invest directly in this or any index.*
- <sup>2</sup> *National Bureau of Statistics of China, U.S. Bureau of Economic Analysis (U.S. BEA) and Seafarer. Please note: statistics for both the U.S. and China intentionally exclude services provided by the government and / or the public sector. According to the U.S. BEA, U.S. total service sector activity comprises nearly 80% of U.S. GDP, about 13% of which is attributable to the public sector. China's most accessible statistics on the tertiary sector do not distinguish between public and private sector services, but together they account for 43% of GDP. My intent here was to focus on private sector services only, and thus I have deducted an estimate for government-related services, which I believe comprise 12% to 13% of China's GDP. Thus I estimate private sector services to constitute a bit less than one third of China's output.*
- <sup>3</sup> *U.S. BEA, Seafarer.*
- <sup>4</sup> *U.S. BEA, Seafarer.*
- <sup>5</sup> *Dan Harris, "China's 12th Five Year Plan: A Preliminary Look," China Law Blog, 3 March 2011, [http://www.chinalawblog.com/2011/03/chinas\\_12th\\_five\\_year\\_plan\\_a\\_preliminary\\_look.html](http://www.chinalawblog.com/2011/03/chinas_12th_five_year_plan_a_preliminary_look.html).*
- <sup>6</sup> *Xinhua, "China to nurture 7 new strategic industries in 2011-15," 27 October 2010, [http://news.xinhuanet.com/english2010/china/2010-10/27/c\\_13578293.htm](http://news.xinhuanet.com/english2010/china/2010-10/27/c_13578293.htm).*
- <sup>7</sup> *Zhuang Pinghui, South China Morning Post, 10 November 2012.*
- <sup>8</sup> *Verna Yu, South China Morning Post, 10 November 2012.*

October 31, 2012 (Unaudited)

## PORTFOLIO REVIEW

During the first six months of the Fund's 2012-13 fiscal year (May 1 – October 31), the Seafarer Overseas Growth and Income Fund gained 7.13% and 7.16% for the Investor and Institutional classes, respectively. The Fund's benchmark, the MSCI Emerging Markets Total Return Index, fell -1.01% during the same period. By way of broader comparison, the S&P 500 Index gained 2.16%.

The Fund's policy for distributions, as stated in the Prospectus, is that it will normally pay dividends and net investment income, if any, on a semi-annual basis. The Adviser is pleased to report that the Fund paid its first semi-annual distribution to shareholders in June. The Fund distributed \$0.04995 and \$0.03484 per share for the Investor and Institutional classes, respectively.

### Performance

During the past six months, stock markets in the developing world experienced substantial swings. They declined sharply between May and June, and then rose swiftly between July and September, before declining slightly once more in October. The net effect of all those gyrations is that markets finished the last six months just shy of where they began (as measured by the benchmark index).

A number of factors drove the volatility in emerging equities. Markets stumbled in May due to renewed concerns over Greece's ability to remain a member of the Eurozone, fears over Spain's solvency, and worries that China's economic growth would falter. However, by July stocks began to march upwards again; in my view, these gains occurred primarily because of three interrelated events. First, markets recognized that, as grave as the situation in Western Europe was (and is), the substantial decline priced into stocks was overdone. Second, markets anticipated extended stimulus on the part of the world's major central banks. Indeed, both the U.S. Federal Reserve and the European Central Bank maintained relaxed monetary policies through the summer. Third, equities gained because valuations were quite depressed in June, and yet second quarter corporate profits generally exceeded the (low) expectations of investors.

As markets fell through June, the Fund also declined, but less so than the benchmark index; and as markets recovered lost ground between July and October, the Fund managed to slightly outpace the benchmark. During the six month period, about two-thirds of the Fund's positions contributed positively to the Fund's performance. The Fund's gains were relatively concentrated, though. The ten positions with the greatest contribution to performance were collectively responsible for over 80% of the Fund's return.

The top contributor to the Fund over the past six months was its holding in a mid-capitalization company called Aselsan Elektronik. Aselsan is a Turkish firm that produces electronic systems and communication equipment for military and civilian markets. The company has existed for several decades, yet it has only recently undertaken efforts to operate on a truly commercial basis. In the past, the company operated essentially as a captive supplier to (and subsidiary of) the Turkish Army; consequently, Aselsan's financial performance took a back seat. However, the company has recently begun to improve upon its commercial potential, expanding into new markets and accelerating its growth. Aselsan's shares rose ostensibly in reflection of the company's improved performance.

The Fund's holdings in a small-capitalization company called Kingdee International also contributed to gains. Kingdee provides "enterprise management" software to small and mid-sized companies based in China. This software helps companies manage their accounts, track inventory and sales, and engage in online commerce. Kingdee has historically been a leader within its chosen niche. However, the company embarked upon an ill-fated expansion approximately two years ago, one which left the company's finances stretched thin in light of slowing growth within the Chinese market. As a consequence, Kingdee's shares dropped over four-fifths between their recent peak in April 2011 and their recent nadir in July 2012.<sup>1</sup> Seafarer's research confirmed that the company's fundamental

*October 31, 2012 (Unaudited)*

position has deteriorated, and that its near-term profitability is materially compromised. However, Seafarer also judged the extent of the correction overdone, and as such, the Fund began to acquire shares in the company in June. The shares have since recovered a portion of their former value, to the Fund's benefit.

Another notable positive contribution to the Fund came from its holding in Cerebos Pacific, a Singapore-based purveyor of food and beverage products across Southeast Asia and Australia. The company is a closely-held subsidiary of the Japanese beverage company Suntory. In August, Suntory announced its intent to purchase the roughly 15% of Cerebos that it did not already own; Suntory agreed to pay a premium price in order to take the company private, and the transaction is now on the cusp of consummation. We are pleased to report that this is already the second time a portfolio holding has received such an offer in the relatively short life of the Fund (the first being a Hong Kong company called SinoCom).

The Fund's two holdings in Mexico, Grupo Herdez and Kimberly-Clark de Mexico, also made prominent contributions to the Fund's semi-annual gains. Both stocks performed very well, presumably in recognition of their strong financial results. However, I believe their gains also reflect the market's belated recognition that the Mexican economy is much healthier than headlines convey.

The Fund's holding in the Market Vectors Vietnam ETF was responsible for the largest drag on performance, by far. Vietnam saw its stock market lurch lower during the period as a series of scandals and reforms impacted its banking sector. To date, Vietnam's banks have borne the brunt of the pressure arising from the country's bloated state-owned enterprise sector. Like China, its large neighbor to the north, Vietnam's government has propagated a substantial number of uncompetitive, state-backed enterprises; and as in China, those entities have borrowed excessively from compliant local banks. Some of the debts have come due, and the state-backed debtors have been either unwilling or unable to repay. This outcome has led to criticism and scandal within the country's banking sector and throughout its various political circles. Vietnam appears to be redoubling its efforts to reform the sector, yet the market stumbled amid the political and economic strife. Nevertheless, we remain heartily enthusiastic. Much of the country's private (non-state-backed) sector remains in good health, and valuations on selected stocks appear quite attractive. Seafarer will conduct "on the ground" research in Vietnam during the coming months, with the eventual intent to add individual Vietnamese equities to the Fund, as and when the Fund's registration status allows.

## Allocation

At the end of October, the Fund's composition had shifted discernibly from that of April, particularly with respect to its regional allocation (more outside Asia), and also relative to company size (a marginal shift toward larger companies).

The Fund's allocation to the Asia region declined about 16% (from 80% to 64% of net assets) during the semi-annual period, with offsetting increases in other regions, especially Eastern Europe (+12%) and Latin America (+5%). This shift toward Eastern Europe was driven in large part by attractive valuations in Poland; the portfolio's holdings there appear to exhibit growth and valuation characteristics that are favored by the Fund's strategy.

The Fund increased its exposure to Latin America during the period, notably by way of introduction of two new issuers in Chile and another in Brazil.<sup>2</sup> In the months leading up to the Fund's launch, we were quite cautious about Brazil: we were concerned the currency was too expensive; the valuations too dear; and the growth slowing too much. However, our research in the country has made us moderately more positive. Valuations on many stocks are still steep, and the immediate outlook for the economy is challenging, but we see signs that the country is gradually turning the corner for the better, and that stronger growth lies ahead. I personally believe that the Rousseff administration has exhibited a great deal of courage, undertaking a number of politically difficult measures that will most likely



October 31, 2012 (Unaudited)

improve the country's long-term prospects. However, for the moment, the market clearly thinks otherwise: the administration has attempted to inject competition into several inefficient sectors, and the shares of companies that have been singled out have slumped.

Regarding the Fund's marginal shift toward larger companies (from 20% to 35% of net assets): since inception, the Fund has allocated the bulk of its weight toward mid-sized companies. This is because Seafarer typically finds more mid-sized companies that satisfy the Fund's growth and valuation criteria. However, during the past three months, the Fund made a deliberate shift toward larger companies, due to concerns about rising valuations across markets. At the recent nadir in markets (June 4th), we felt that valuations were quite attractive, as we indicated in our July Shareholder Conference Call. However, from the lows of June, to the end of the semi-annual period, the emerging market benchmark index rose 14.4%.<sup>3</sup> This pronounced, short-term gain has led us to be just a bit more cautious overall, which in turn has prompted us to favor larger companies, where we find valuations – and safety – to be marginally better. To be clear, we believe valuations on emerging market stocks are not excessive at present, even if they are no longer especially attractive.

Andrew Foster  
Chief Investment Officer  
Seafarer Capital Partners, LLC  
November 12, 2012

<sup>1</sup> Kingdee International shares closed at HKD 5.07 on April 27, 2011; and closed at HKD 0.85 on July 30, 2012. Source: Factset.

<sup>2</sup> One of the Chilean issuers referenced in this sentence (Corbanca SA/Chile) consolidates two separate holdings, a common stock and an ADR.

<sup>3</sup> Performance based on the MSCI Emerging Markets Total Return Index, Standard (Large+Mid Cap) Core, Gross (dividends reinvested), USD. June 4 to October 31, 2012. Source: Bloomberg.

## Seafarer Overseas Growth and Income Fund Performance

Cumulative Total Return (for the period ended October 31, 2012)	Since Inception*	Net Expense Ratio**
Investor Class (SFGIX)	9.06%	1.60%
Institutional Class (SIGIX)	9.09%	1.45%
MSCI Emerging Markets Total Return Index <sup>^</sup>	-3.50%	

Gross expense ratio: 4.48% for Investor Class; 4.59% for Institutional Class\*\*

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

\* Inception Date: February 15, 2012.

\*\* Seafarer Capital Partners, LLC has agreed contractually to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waiver / Expense Reimbursements (excluding acquired fund fees and expenses, brokerage expenses, interest expenses, taxes and extraordinary expenses) to 1.60% and 1.45% of the Fund's average daily net assets for the Investor and Institutional share classes respectively. This agreement is in effect through August 31, 2013.

<sup>^</sup> The MSCI Emerging Markets Total Return Index, Standard (Large+Mid Cap) Core, Gross (dividends reinvested), USD is a free float-adjusted market capitalization index designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Total Return Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt,

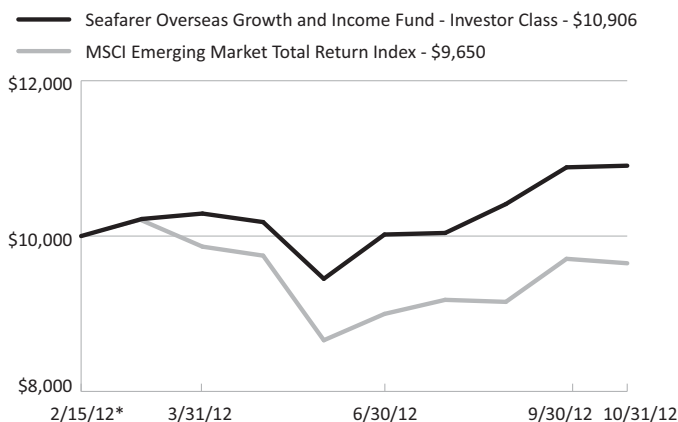
October 31, 2012 (Unaudited)

Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. Index code: GDUEEGF. It is not possible to invest directly in this or any index.

The views and information discussed in this commentary are as of the date of publication, are subject to change, and may not reflect the writer's current views. The views expressed represent an assessment of market conditions at a specific point in time, are opinions only and should not be relied upon as investment advice regarding a particular investment or markets in general. Such information does not constitute a recommendation to buy or sell specific securities or investment vehicles. It should not be assumed that any investment will be profitable or will equal the performance of the portfolios or any securities or any sectors mentioned 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 10/31/2012, Aselsan Elektronik Sanayi Ve Ticaret AS comprised 4.1% of the Seafarer Overseas Growth and Income Fund; Kingdee International Software Group Co. Ltd. comprised 2.1% of the Fund; Cerebos Pacific, Ltd. comprised 1.0% of the Fund; Grupo Herdez SAB de CV comprised 1.9% of the Fund, Kimberly-Clark de Mexico SAB de CV comprised 2.3% of the Fund, Market Vectors Vietnam ETF comprised 3.4% of the Fund, Corpanca SA/Chile comprised 0.7% of the Fund, and Corpanca SA/Chile ADR comprised 1.4% of the Fund. Holdings are subject to change.

### 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 10/31/2012. All returns reflect reinvested dividends, 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.

October 31, 2012 (Unaudited)

## 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 a significant amount of its net assets in the securities of companies located in developing countries. The Fund can invest in 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 (in comparison to a portfolio that invests only in the common stocks of developing countries).

## Portfolio Management

Andrew Foster, Lead Manager

William Maeck, Associate Manager

## Fund Characteristics

Inception Date	2/15/2012
Net Assets	\$17.1M
Portfolio Turnover <sup>1</sup>	5%

	Investor Class	Institutional Class
Ticker	SFGIX	SIGIX
NAV (10/31/12)	\$10.85	\$10.87
30-Day SEC Yield (10/31/12)	1.64%	1.74%
Net Expense Ratio	1.60%	1.45%
Redemption Fee (within 90 calendar days)	2.00%	2.00%
Minimum Initial Investment	\$2,500	\$100,000
Minimum Initial Investment (Retirement Account)	\$1,000	\$100,000

## Underlying Portfolio Holdings

Number of Holdings	44
% of Net Assets in Top 10 Holdings	38%
Weighted Average Market Cap	\$9.2B
Market Cap of Portfolio Median	\$3.9B
Gross Portfolio Yield <sup>2,3</sup>	3.6%
Price / Book Value <sup>2</sup>	1.8
Price / Earnings <sup>2</sup>	12.4
Forecast EPS Growth <sup>2</sup>	9.5%

Sources: ALPS Fund Services, Inc., FactSet Research Systems, Seafarer.

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

Past performance does not guarantee future results.

See notes on following page.

October 31, 2012 (Unaudited)

- <sup>1</sup> For the period 5/1/2012 – 10/31/2012. Portfolio Turnover is for a period less than one full year and is not annualized.
- <sup>2</sup> Calculated as a harmonic average of the underlying portfolio holdings. A harmonic average is the reciprocal of the arithmetic mean of the reciprocals. Harmonic averages are generally preferable to weighted averages or other techniques when measuring the fundamental characteristics (e.g., earnings per share, book value per share) of a portfolio of securities. For more information, see the presentation "Index Calculation Primer," by Roger J. Bos, CFA, Senior Index Analyst at Standard & Poor's, 17 July 2000.
- <sup>3</sup> Gross Portfolio Yield = gross yield for the underlying portfolio, estimated based on the dividend yield for common and preferred stocks and yield to maturity for bonds. This measure of yield does not account for offsetting Fund expenses and other costs, and consequently it should not be construed as the yield that an investor in the Fund would receive.

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

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

*Forecast EPS Growth:* forecast growth rate of earnings per common share this year, expressed as a percentage.

October 31, 2012 (Unaudited)

## Top 10 Holdings

Holding	Sector	Country	% Net Assets	Issuer Mkt Cap (\$B)	Yield <sup>1</sup>	Price / Book	Price / Earnings	Forecast EPS Growth
PGE Polska Grupa Energetyczna SA	Utilities	Poland	4.7%	\$10.1	10.6%	0.8	8	-18%
SIA Engineering Co., Ltd.	Industrials	Singapore	4.4%	\$3.8	5.2%	3.5	17	5%
Aselsan Elektronik Sanayi Ve Ticaret AS	Industrials	Turkey	4.1%	\$1.9	1.4%	2.9	13	54%
Digital China Holdings, Ltd.	Information Technology	China / Hong Kong	4.1%	\$1.8	3.0%	2.0	10	18%
Citic Telecom Intl Holdings, Ltd.	Telecom Services	China / Hong Kong	4.1%	\$0.6	5.4%	1.3	9	9%
Infosys, Ltd. ADR	Information Technology	India	3.7%	\$25.2	2.0%	3.6	14	7%
Market Vectors Vietnam ETF	Other	Vietnam	3.4%	–	1.0%	–	–	–
Bank Pekao SA	Financials	Poland	3.3%	\$12.6	3.5%	1.9	14	4%
Olam Intl 6.0% Cnv Bds 10/15/16 USD	Consumer Staples	Singapore	3.2%	\$3.9	3.8%	–	–	–
Odontoprev SA	Health Care	Brazil	3.1%	\$2.7	3.0%	7.9	32	23%

**Cumulative Weight of Top 10 Holdings: 38%**

**Total Number of Holdings: 44**

*Portfolio holdings are subject to change. Table presents indicative values only.*

*Sources: ALPS Fund Services, Inc., FactSet Research Systems, Inc., Seafarer.*

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

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

October 31, 2012 (Unaudited)

## Portfolio Composition

Region/Country	% Net Assets
<b>East &amp; South Asia</b>	<b>64</b>
China / Hong Kong	18
India	4
Indonesia	2
Japan	3
Malaysia	4
Singapore	12
South Korea	6
Taiwan	5
Thailand	7
Vietnam	3
<b>Eastern Europe</b>	<b>15</b>
Poland	10
Turkey	5
<b>Latin America</b>	<b>14</b>
Brazil	5
Chile	5
Mexico	4
<b>Middle East &amp; Africa</b>	<b>3</b>
South Africa	3
Cash and Other Assets, Less Liabilities	5
<b>Total</b>	<b>100</b>

Asset Class	% Net Assets
Common Stock	73
ADR	8
Preferred Stock	6
USD Convertible Bond	4
ETF	3
Foreign Currency	
Convertible Bond	2
Cash and Other Assets, Less Liabilities	5
<b>Total</b>	<b>100</b>

Market Capitalization of Issuer	% Net Assets
Large Cap (over \$10 billion)	35
Mid Cap (\$1 - \$10 billion)	44
Small Cap (under \$1 billion)	14
N/A	3
Cash and Other Assets, Less Liabilities	5
<b>Total</b>	<b>100</b>

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

Sector	% Net Assets
Consumer Discretionary	3
Consumer Staples	9
Energy	6
Financials*	22
Health Care	9
Industrials	11
Information Technology	16
Materials	4
Telecommunication Services	4
Utilities	9
Other	3
Cash and Other Assets, Less Liabilities	5
<b>Total</b>	<b>100</b>

\* The Fund's concentration in the Financials sector includes holdings in property-related stocks, which are classified within the "Financials Sector" according to the Global Industry Classification Standard (GICS) methodology utilized herein. Property-related holdings comprise 5% of the Fund's net assets as of 10/31/2012.

October 31, 2012 (Unaudited)

## Greatest Performance Contributors and Detractors

For the period 5/1/2012 – 10/31/2012

<b>Contributors</b>	<b>% Net Assets*</b>
Aselsan Elektronik Sanayi Ve Ticaret AS	4.1
Kingdee International Software Group Co. Ltd.	2.1
Citic Telecom International Holdings, Ltd.	4.1
Samsung Fire & Marine Insurance Co., Ltd., Pfd.	2.6
Perusahaan Gas Negara Persero Tbk PT	2.5
<b>Detractors</b>	<b>% Net Assets*</b>
Market Vectors Vietnam ETF	3.4
Digital China Holdings, Ltd.	4.1
Asseco Poland SA	2.0
Sociedad Quimica y Minera de Chile SA ADR	2.4
Tata Power Co. Ltd. 1.75% Cnv Bds 11/21/14 USD	0.6

\* As of end of period

Source: Bloomberg

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

October 31, 2012 (Unaudited)

As a shareholder of the Fund you will incur two types of costs: (1) transaction costs, including applicable redemption fees; and (2) ongoing costs, including management fees and other Fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The examples are based on an investment of \$1,000 invested on May 1, 2012 and held until October 31, 2012.

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

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

	Beginning Account Value 05/01/12	Ending Account Value 10/31/12	Expense Ratio <sup>(a)</sup>	Expenses Paid During Period 05/01/12 - 10/31/12 <sup>(b)</sup>
<b>Investor Class</b>				
Actual	\$ 1,000.00	\$ 1,071.30	1.60%	\$ 8.35
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,017.14	1.60%	\$ 8.13
<b>Institutional Class</b>				
Actual	\$ 1,000.00	\$ 1,071.60	1.45%	\$ 7.57
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,017.90	1.45%	\$ 7.38

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

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



October 31, 2012 (Unaudited)

	Currency	Shares	Value
<b>COMMON STOCKS* (81.0%)</b>			
<b>Brazil (5.0%)</b>			
Odontoprev SA	BRL	101,700	\$ 525,763
Aliansce Shopping Centers SA	BRL	29,000	329,829
<b>Total Brazil</b>			<b>855,592</b>
<b>Chile (4.5%)</b>			
Sociedad Quimica y Minera de Chile SA ADR	USD	7,100	410,735
Corpbanca SA/Chile ADR	USD	11,376	233,208
Corpbanca SA/Chile	CLP	9,750,000	127,622
<b>Total Chile</b>			<b>771,565</b>
<b>China / Hong Kong (17.6%)</b>			
Digital China Holdings, Ltd.	HKD	418,000	700,695
Citic Telecom International Holdings, Ltd.	HKD	3,024,000	696,895
Hang Lung Properties, Ltd.	HKD	150,000	519,389
Kingdee International Software Group Co., Ltd. <sup>(a)</sup>	HKD	1,746,000	360,701
Television Broadcasts, Ltd.	HKD	32,000	238,054
Shandong Weigao Group Medical Polymer Co., Ltd., Class H	HKD	140,000	188,806
Vitasoy International Holdings, Ltd.	HKD	182,000	172,608
CLP Holdings, Ltd.	HKD	15,500	132,066
<b>Total China / Hong Kong</b>			<b>3,009,214</b>
<b>India (3.7%)</b>			
Infosys, Ltd. ADR	USD	14,800	642,616
<b>Total India</b>			<b>642,616</b>
<b>Indonesia (2.5%)</b>			
Perusahaan Gas Negara Persero Tbk PT	IDR	875,000	422,018
<b>Total Indonesia</b>			<b>422,018</b>
<b>Japan (2.6%)</b>			
Hisamitsu Pharmaceutical Co., Inc.	JPY	5,000	258,528
OBIC Business Consultants, Ltd.	JPY	3,600	190,205
<b>Total Japan</b>			<b>448,733</b>
<b>Malaysia (4.4%)</b>			
AMMB Holdings Bhd	MYR	185,500	387,862

October 31, 2012 (Unaudited)

	Currency	Shares	Value
<b>Malaysia (continued)</b>			
Hartalega Holdings Bhd	MYR	243,600	\$ 372,677
<b>Total Malaysia</b>			<u>760,539</u>
<b>Mexico (4.2%)</b>			
Kimberly-Clark de Mexico SAB de CV, Class A	MXN	161,400	391,235
Grupo Herdez SAB de CV	MXN	120,847	327,544
<b>Total Mexico</b>			<u>718,779</u>
<b>Poland (10.0%)</b>			
PGE SA	PLN	148,500	805,758
Bank Pekao SA	PLN	11,900	571,628
Asseco Poland SA	PLN	26,908	337,157
<b>Total Poland</b>			<u>1,714,543</u>
<b>Singapore (9.1%)</b>			
SIA Engineering Co., Ltd.	SGD	219,000	753,427
Singapore Technologies Engineering, Ltd.	SGD	124,000	356,881
Hong Leong Finance, Ltd.	SGD	135,000	276,077
Cerebos Pacific, Ltd.	SGD	32,000	172,901
<b>Total Singapore</b>			<u>1,559,286</u>
<b>South Africa (1.2%)</b>			
Life Healthcare Group Holdings, Ltd.	ZAR	53,402	201,976
<b>Total South Africa</b>			<u>201,976</u>
<b>Taiwan (4.5%)</b>			
Taiwan Semiconductor Manufacturing Co., Ltd.	TWD	143,000	435,730
Taiwan Hon Chuan Enterprise Co., Ltd.	TWD	134,000	285,068
Taiwan Semiconductor Manufacturing Co., Ltd. ADR	USD	3,400	54,060
<b>Total Taiwan</b>			<u>774,858</u>
<b>Thailand (6.9%)</b>			
Bangkok Bank PCL NVDR	THB	86,000	494,492
PTT PCL	THB	46,500	480,762
Thai Reinsurance PCL <sup>(a)</sup>	THB	1,620,000	208,729
<b>Total Thailand</b>			<u>1,183,983</u>

October 31, 2012 (Unaudited)

	Currency	Shares	Value		
<b>Turkey (4.8%)</b>					
Aselsan Elektronik Sanayi Ve Ticaret AS	TRY	185,773	\$ 702,987		
Asya Katilim Bankasi AS <sup>(a)</sup>	TRY	100,000	112,236		
<b>Total Turkey</b>			<b>815,223</b>		
<b>TOTAL COMMON STOCKS</b>					
<b>(Cost \$13,112,091)</b>			<b>13,878,925</b>		
<b>EXCHANGE TRADED FUNDS (3.4%)</b>					
<b>Vietnam (3.4%)</b>					
Market Vectors Vietnam ETF	USD	36,993	583,010		
<b>Total Vietnam</b>			<b>583,010</b>		
<b>TOTAL EXCHANGE TRADED FUNDS</b>					
<b>(Cost \$644,366)</b>			<b>583,010</b>		
<b>PREFERRED STOCKS<sup>+</sup> (5.5%)</b>					
<b>South Korea (5.5%)</b>					
S-Oil Corp.	KRW	9,180	508,198		
Samsung Fire & Marine Insurance Co., Ltd.	KRW	5,831	443,513		
<b>Total South Korea</b>			<b>951,711</b>		
<b>TOTAL PREFERRED STOCKS</b>					
<b>(Cost \$861,250)</b>			<b>951,711</b>		
	Currency	Rate	Maturity Date	Principal Amount	Value
<b>CONVERTIBLE CORPORATE BOND (5.6%)</b>					
<b>India (0.6%)</b>					
Tata Power Co., Ltd., Series TPWR	USD	1.75%	11/21/14	\$100,000	103,600
<b>Total India</b>					<b>103,600</b>
<b>Singapore (3.2%)</b>					
Olam International, Ltd.	USD	6.00%	10/15/16	500,000	543,250
<b>Total Singapore</b>					<b>543,250</b>

October 31, 2012 (Unaudited)

	Currency	Rate	Maturity Date	Principal Amount	Value
<b>South Africa (1.8%)</b>					
Steinhoff International Holdings, Ltd., Series SHF	ZAR	9.63%	07/20/15	2,000,000	\$ 309,781
<b>Total South Africa</b>					<u>309,781</u>
<b>TOTAL CONVERTIBLE CORPORATE BOND (Cost \$945,061)</b>					<u>956,631</u>
	Currency		Shares	Value	
<b>WARRANTS (0.0%)<sup>(b)</sup></b>					
Hartalega Holdings, Strike Price 4.14 (expiration 05/29/15)	MYR		6,860	<u>2,545</u>	
				<u>2,545</u>	
<b>TOTAL WARRANTS (Cost \$-)</b>					<u>2,545</u>
<b>TOTAL INVESTMENTS (Cost \$15,562,768) (95.5%)</b>					\$ 16,372,822
<b>Cash and Other Assets, Less Liabilities (4.5%)</b>					<u>769,563</u>
<b>NET ASSETS (100.0%)</b>					<u>\$ 17,142,385</u>

\* Certain securities were fair valued in good faith through consideration of other factors in accordance with procedures established by and under the general supervision of the Board of Trustees (Note 2).

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

<sup>(b)</sup> Less than 0.05%.

**Currency Abbreviations**

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

**Common Abbreviations:**

ADR	-	American Depositary Receipt.
AS	-	Andonim Sirketi, Joint Stock Company in Turkey.
Bhd	-	Berhad, Public Limited Company in Malaysia.
ETF	-	Exchange Traded Fund.
Ltd.	-	Limited.
NVDR	-	Non-Voting Depositary Receipt.
PCL	-	Public Company Limited.
PT	-	Perseroan Terbata, Limited Liability Company in Indonesia.
SA	-	Generally designates corporations in various countries, mostly those employing the civil law. This translates literally in all languages mentioned as anonymous company.
SAB de CV	-	A variable capital company.

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. These definitions 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. These classifications are based on third party definitions. The definitions are industry terms and do not reflect the legal status of any of the investments or the companies in which the Fund has invested.

See Accompanying Notes to Financial Statements.

October 31, 2012 (Unaudited)

**ASSETS:**

Investments, at value	\$ 16,372,822
Cash	510,509
Foreign currency, at value (Cost \$251,543, respectively)	251,543
Receivable for shares sold	157,387
Interest and dividends receivable	16,796
Deferred offering costs	18,817
Prepaid expenses and other assets	17,487
<b>Total Assets</b>	<b>17,345,361</b>

**LIABILITIES:**

Payable for investments purchased	164,824
Administrative fees payable	11,547
Co-administrative & shareholder servicing fees payable	1,112
Shareholder service plan fees payable	2,352
Director's fees and expenses payable	134
Audit fees payable	15,861
Accrued expenses and other liabilities	7,146
<b>Total Liabilities</b>	<b>202,976</b>

<b>NET ASSETS</b>	<b>\$ 17,142,385</b>
-------------------	----------------------

**NET ASSETS CONSIST OF:**

Paid-in capital (Note 5)	\$ 16,287,449
Accumulated net investment income	64,905
Accumulated net realized loss on investments and foreign currency transactions	(19,135)
Net unrealized appreciation on investments and translation of assets and liabilities in foreign currencies	809,166

<b>NET ASSETS</b>	<b>\$ 17,142,385</b>
-------------------	----------------------

<b>INVESTMENTS, AT COST</b>	<b>\$ 15,562,768</b>
-----------------------------	----------------------

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

Net Asset Value, offering and redemption price per share	\$ 10.85
Net Assets	\$ 12,801,783
Shares of beneficial interest outstanding	1,180,171

**Institutional Class:**

Net Asset Value, offering and redemption price per share	\$ 10.87
Net Assets	\$ 4,340,602
Shares of beneficial interest outstanding	399,213

See Accompanying Notes to Financial Statements.

For the Six Months Ended October 31, 2012 (Unaudited)

**INVESTMENT INCOME:**

Dividends	\$ 156,843
Foreign taxes withheld on dividends	(11,371)
Interest and other income	4,970
<b>Total investment income</b>	<b>150,442</b>

**EXPENSES:**

Investment advisory fees	36,327
Administrative and transfer agency fees	86,125
Co-administrative & shareholder servicing fees	
Investor Class	2,846
Institutional Class	714
Trustees' fees and expenses	321
Registration/filing fees	5,490
Shareholder service plan fees	
Investor Class	4,268
Institutional Class	714
Legal fees	1,674
Audit fees	10,566
Reports to shareholders and printing fees	4,321
Custody fees	2,619
Offering fees	34,023
Miscellaneous	3,089
<b>Total expenses</b>	<b>193,097</b>
Less fees waived/reimbursed by investment advisor	
Investor Class	(82,030)
Institutional Class	(44,829)
<b>Total net expenses</b>	<b>66,238</b>

**NET INVESTMENT INCOME:**

<b>NET INVESTMENT INCOME:</b>	<b>84,204</b>
Net realized loss on investments	(1,158)
Net realized loss on foreign currency transactions	(19,098)
Net change in unrealized appreciation on investments	799,342
Net change in unrealized depreciation on translation of assets and liabilities in foreign currency transactions	(375)

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

<b>NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS AND FOREIGN CURRENCY TRANSLATIONS</b>	<b>778,711</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$ 862,915</b>

See Accompanying Notes to Financial Statements.

	For the Six Months Ended October 31, 2012 (Unaudited)	For the Period February 15, 2012 (Inception) to April 30, 2012
<b>OPERATIONS:</b>		
Net investment income	\$ 84,204	\$ 8,459
Net realized gain/(loss) on investments and foreign currency transactions	(20,256)	4,356
Net change in unrealized appreciation on investments and foreign currency translations	798,967	10,199
Net increase in net assets resulting from operations	862,915	13,663
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
From net investment income		
Investor Class	(14,364)	-
Institutional Class	(8,402)	-
Net decrease in net assets from distributions	(22,766)	-
<b>BENEFICIAL INTEREST TRANSACTIONS:</b>		
Shares sold		
Investor	11,312,484	1,449,187
Institutional	2,806,193	1,327,000
Dividends reinvested		
Investor	14,364	-
Institutional	8,402	-
Shares Redeemed, net of redemption fees		
Investor	(505,095)	-
Institutional	(123,962)	-
Net increase in net assets derived from beneficial interest transactions	13,512,386	2,776,187
Net increase in net assets	\$ 14,352,535	\$ 2,789,850
<b>NET ASSETS:</b>		
Beginning of period	2,789,850	-
End of period (including accumulated net investment income of \$64,905 and \$3,467, respectively)	\$ 17,142,385	\$ 2,789,850



	For the Six Months Ended October 31, 2012 (Unaudited)	For the Period February 15, 2012 (Inception) to April 30, 2012
<b>Other Information:</b>		
<b>SHARE TRANSACTIONS:</b>		
<b>Investor Class</b>		
Sold	1,086,033	141,869
Distributions reinvested	1,479	-
Redeemed	(49,210)	-
Net increase in shares outstanding	1,038,302	141,869
<b>Institutional Class</b>		
Sold	277,521	132,281
Distributions reinvested	863	-
Redeemed	(11,452)	-
Net increase in shares outstanding	266,932	132,281

*See Accompanying Notes to Financial Statements.*

For a share outstanding through the periods presented

Investor Class	For the Six Months Ended October 31, 2012 (Unaudited)	For the Period February 15, 2012 (Inception) to April 30, 2012
<b>NET ASSET VALUE, BEGINNING OF PERIOD</b>	\$ 10.18	\$ 10.00
<b>INCOME FROM OPERATIONS:</b>		
Net investment income <sup>(a)</sup>	0.10	0.05
Net realized and unrealized gain on investments	0.62	0.13
Total from investment operations	0.72	0.18
<b>LESS DISTRIBUTIONS:</b>		
From investment income	(0.05)	—
Total distributions	(0.05)	—
<b>REDEMPTION FEES ADDED TO PAID IN CAPITAL</b>	0.00 <sup>(b)</sup>	—
<b>NET INCREASE IN NET ASSET VALUE</b>	0.67	0.18
<b>NET ASSET VALUE, END OF PERIOD</b>	\$ 10.85	\$ 10.18
<b>TOTAL RETURN<sup>(c)</sup></b>	7.13%	1.80%
<b>RATIOS/SUPPLEMENTAL DATA:</b>		
Net assets, end of period (in 000s)	\$ 12,802	\$ 1,443
Operating expenses excluding reimbursement/waiver	4.48% <sup>(d)</sup>	18.96% <sup>(d)</sup>
Operating expenses including reimbursement/waiver	1.60% <sup>(d)</sup>	1.60% <sup>(d)</sup>
Net investment income including reimbursement/waiver	1.89% <sup>(d)</sup>	2.61% <sup>(d)</sup>
<b>PORTFOLIO TURNOVER RATE<sup>(e)</sup></b>	5%	5%

<sup>(a)</sup> Calculated using the average shares method.<sup>(b)</sup> Less than \$0.005 per share.<sup>(c)</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>(d)</sup> Annualized.<sup>(e)</sup> Portfolio turnover rate for periods less than one full year have not been annualized.

See Accompanying Notes to Financial Statements.

For a share outstanding through the periods presented

Institutional Class	For the Six Months Ended October 31, 2012 (Unaudited)	For the Period February 15, 2012 (Inception) to April 30, 2012
<b>NET ASSET VALUE, BEGINNING OF PERIOD</b>	\$ 10.18	\$ 10.00
<b>INCOME FROM OPERATIONS:</b>		
Net investment income <sup>(a)</sup>	0.11	0.04
Net realized and unrealized gain on investments	0.61	0.14
Total from investment operations	0.72	0.18
<b>LESS DISTRIBUTIONS:</b>		
From investment income	(0.03)	–
Total distributions	(0.03)	–
<b>REDEMPTION FEES ADDED TO PAID IN CAPITAL</b>	0.00 <sup>(b)</sup>	–
<b>NET INCREASE IN NET ASSET VALUE</b>	0.69	0.18
<b>NET ASSET VALUE, END OF PERIOD</b>	\$ 10.87	\$ 10.18
<b>TOTAL RETURN<sup>(c)</sup></b>	7.16%	1.80%
<b>RATIOS/SUPPLEMENTAL DATA:</b>		
Net assets, end of period (in 000s)	\$ 4,341	\$ 1,346
Operating expenses excluding reimbursement/waiver	4.59% <sup>(d)</sup>	21.65% <sup>(d)</sup>
Operating expenses including reimbursement/waiver	1.45% <sup>(d)</sup>	1.45% <sup>(d)</sup>
Net investment income including reimbursement/waiver	2.13% <sup>(d)</sup>	2.00% <sup>(d)</sup>
<b>PORTFOLIO TURNOVER RATE<sup>(e)</sup></b>	5%	5%

<sup>(a)</sup> Calculated using the average shares method.<sup>(b)</sup> Less than \$0.005 per share.<sup>(c)</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>(d)</sup> Annualized.<sup>(e)</sup> Portfolio turnover rate for periods less than one full year have not been annualized.

See Accompanying Notes to Financial Statements.

October 31, 2012 (Unaudited)

## I. ORGANIZATION

Financial Investors Trust (the "Trust"), a Delaware statutory trust, is an open-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act"). As of October 31, 2012, the Trust had 24 registered funds. This semi-annual report describes the Seafarer Overseas Growth and Income Fund (the "Fund"). The Fund seeks to provide long-term capital appreciation along with some current income; it also seeks to mitigate adverse volatility in returns. The Fund offers Investor Class and Institutional Class shares. All classes of shares have identical rights to earnings, assets and voting privileges, except for class specific expenses and exclusive rights to vote on matters affecting only individual classes.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund. These policies are in conformity with U.S. generally accepted accounting principles ("GAAP").

The preparation of financial statements in accordance with GAAP requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements during the reporting period. Management believes the estimates and security valuations are appropriate; however, actual results may differ from those estimates, and the security valuations reflected in the financial statements may differ from the value the Fund ultimately realizes upon sale of the securities.

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

For equity securities and mutual funds that are traded on an exchange, the market price is usually the closing sale or official closing price on that exchange. In the case of equity securities not traded on an exchange, or if such closing prices are not otherwise available, the securities are valued at the mean of the most recent bid and ask prices on such day.

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 and the close of the NYSE that was likely to have changed such value. In such an event, the fair values of those securities are determined in good faith through consideration of other factors in accordance with procedures established by and under the general supervision of the Board of Trustees (the "Board"). The Fund will use a fair valuation model provided by an independent pricing service, which is intended to reflect fair value when a security's value or a meaningful portion of the Fund's portfolio is believed to have been materially affected by an valuation event that has occurred between the close of the exchange or market on which the security is traded and the close of the regular trading day on the NYSE. The Fund's valuation procedures set forth certain triggers which instruct 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-

*October 31, 2012 (Unaudited)*

dealers that make a market in the security. Short-term debt obligations that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value. Investments in non-exchange traded funds are fair valued at their respective net asset values.

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

When such prices or quotations are not available, or when the Fair Value Committee appointed by the Board believes that they are unreliable, securities may be priced using fair value procedures approved by the Board. The Fund may also use fair value procedures if the Fair Value Committee determines that a significant event has occurred between the time at which a market price is determined and the time at which a Fund's NAV is calculated. In particular, the value of non-U.S. securities may be materially affected by events occurring after the close of the foreign exchange on which they are traded, but before the Fund prices its shares.

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

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

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

October 31, 2012 (Unaudited)

The following is a summary of each input used to value the Fund as of October 31, 2012:

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>Common Stocks</b>				
Brazil	\$ 855,592	\$ -	\$ -	\$ 855,592
Chile	771,565	-	-	771,565
China / Hong Kong	-	3,009,214	-	3,009,214
India	642,616	-	-	642,616
Indonesia	-	422,018	-	422,018
Japan	-	448,733	-	448,733
Malaysia	372,677	387,862	-	760,539
Mexico	718,779	-	-	718,779
Poland	-	1,714,543	-	1,714,543
Singapore	-	1,559,286	-	1,559,286
South Africa	-	201,976	-	201,976
Taiwan	54,060	720,798	-	774,858
Thailand	-	1,183,983	-	1,183,983
Turkey	-	815,223	-	815,223
Exchange Traded Funds	583,010	-	-	583,010
<b>Preferred Stocks</b>				
South Korea	-	951,711	-	951,711
<b>Convertible Corporate Bond</b>				
Bond	-	956,631	-	956,631
<b>Warrants</b>	2,545	-	-	2,545
<b>Total</b>	<b>\$ 4,000,844</b>	<b>\$ 12,371,978</b>	<b>\$ -</b>	<b>\$ 16,372,822</b>

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

The Fund recognizes transfers between levels as of the beginning of the annual period in which the transfer occurred. For the six months ended October 31, 2012, the Fund did not have any securities that used significant unobservable inputs (Level 3) in determining fair value. Therefore, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

Security amounts the Fund transferred between Levels 1 and 2 at October 31, 2012 were as follows:

	Level 1 - Quoted Prices		Level 2 - Other Significant Observable Inputs	
	Transfers In	Transfers (Out)	Transfers In	Transfers (Out)
Common Stocks	\$ 372,678	\$ -	\$ -	\$ (372,678)
Preferred Stocks	-	(443,513.00)	443,513.00	-
<b>Total</b>	<b>\$ 372,678</b>	<b>\$ (443,513)</b>	<b>\$ 443,513</b>	<b>\$ (372,678)</b>

The 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.

*October 31, 2012 (Unaudited)*

**Investment Transactions:** 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, is accrued and recorded as earned. Dividend income is recognized on the ex-dividend date or for certain foreign securities, as soon as information is available to the Fund.

**Foreign Securities:** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible reevaluation of currencies, the inability to repatriate foreign currency, less complete financial information about companies and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

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

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

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

**Fund and Class Expenses:** Expenses that are specific to the Fund or class of shares of the Fund are charged directly to the Fund or share class. Fees provided under the shareholder service plans for a particular class of the Fund are charged to the operations of such class.

**Offering Costs:** Offering costs, including costs of printing initial prospectuses, legal and registration fees, are being amortized over twelve months from the inception date of the Fund. As of October 31, 2012, \$18,817 of offering costs remain to be amortized for the Fund.

**Federal Income Taxes:** The Fund complies with the requirements under Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and

October 31, 2012 (Unaudited)

intends to distribute substantially all of its net taxable income and net capital gains, if any, each year. The Fund is not subject to income taxes to the extent such distributions are made.

As of and during the six months ended October 31, 2012, the Fund did not have a liability for any unrecognized tax benefits in the accompanying financial statements. The Fund files income tax returns in the U.S. federal jurisdiction and Colorado.

**Distributions to Shareholders:** The Fund normally pays dividends and net investment income, if any, on a semi-annual basis. The Fund normally distributes capital gains, if any, on an annual basis. Income dividend distributions are derived from interest and other income the Fund receives from its investments, including distributions of short term capital gains. Capital gain distributions are derived from gains realized when the Fund sells a security it has owned for more than one year. The Fund may make additional distributions and dividends at other times if the Adviser believes doing so may be necessary for the Fund to avoid or reduce taxes. Net investment income/(loss) and net realized gain/(loss) may differ for financial statement and tax purposes.

### 3. TAX BASIS INFORMATION

**Tax Basis of Distributions to Shareholders:** The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain is recorded by the Fund. During the six months ended October 31, 2012 and the period ended April 30, 2012, respectively, the Fund did not make any distributions.

As of October 31, 2012, the aggregate cost of investments, gross unrealized appreciation/ (depreciation) and net unrealized appreciation for Federal tax purposes were as follows:

Fund	Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized (Depreciation)	Net Unrealized Appreciation/ (Depreciation) on Foreign Currencies	Net Unrealized Appreciation
Seafarer Overseas Growth and Income Fund	\$ 15,562,768	\$ 1,121,723	\$ (311,669)	\$ 0	\$ 810,054

### 4. SECURITIES TRANSACTIONS

The cost of purchases and proceeds from sales of securities excluding short term securities during the six months ended October 31, 2012, were as follows:

Purchases of Securities	Proceeds From Sales of Securities
\$ 13,340,060	\$ 388,293

### 5. SHARES OF BENEFICIAL INTEREST

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



October 31, 2012 (Unaudited)

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

Shares redeemed within 90 days of purchase may incur a 2% short-term redemption fee deducted from the redemption amount. The redemption fee is reflected in the "Cost of shares redeemed, net of redemption fees" in the Statement of Changes in Net Assets. During the six months ended October 31, 2012, the Fund retained the following redemption fees.

Fund	Class	Redemption Fees
Seafarer Overseas Growth and Income Fund	Investor	\$ 709
Seafarer Overseas Growth and Income Fund	Institutional	\$ 240

**Beneficial Ownership:** The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of any class of a Fund creates a presumption of control of the Fund under Section 2(a)(9) of the 1940 Act. As of October 31, 2012, the following entities owned beneficially 25% or greater of the voting securities of a class of the Fund.

Fund	Class	Name	Percentage
Seafarer Overseas Growth and Income Fund	Investor	Charles Schwab & Co.*	63.08%
		National Financial	
Seafarer Overseas Growth and Income Fund	Institutional	Services Corp.*	39.73%
Seafarer Overseas Growth and Income Fund	Institutional	Andrew & Michelle Foster	25.73%

\* *The shares are held under omnibus accounts (whereby the transactions of two or more shareholders are combined and carried in the name of the originating broker rather than designated separately).*

## 6. MANAGEMENT AND RELATED-PARTY TRANSACTIONS

Seafarer Capital Partners, LLC ("Seafarer" or the "Adviser"), subject to the authority of the Board, is responsible for the overall management and administration of the Fund's business affairs. The Adviser manages the investments of the Fund in accordance with the Fund's investment objective, policies and limitations and investment guidelines established jointly by the Adviser and the Trustees. Pursuant to the Advisory Agreement, (the "Advisory Agreement"), the Fund pays the Adviser an annual management fee of 0.85%, based on the Fund's average daily net assets. The management fee is paid on a monthly basis.

The Adviser has contractually agreed to limit certain Fund expenses to 1.60% of the Fund's average daily net assets in the Investor Class shares and 1.45% of the Fund's average daily net assets in the Institutional Class shares until August 31, 2013. The Fund may have to repay some of these waivers and reimbursements to the Adviser in the following three years. Pursuant to this agreement, the Fund will reimburse the Adviser for any fee waivers and expense reimbursements made by the Adviser, provided that any such reimbursements made by the Fund to the Adviser will not cause the Fund's expense limitation to exceed expense limitations in existence at the time the expense was incurred, or at the time of the reimbursement, whichever is lower, and the reimbursement is made within three years after the end of the fiscal year in which fees or expenses were incurred.

October 31, 2012 (Unaudited)

For the six months ended October 31, 2012, the fee waivers and/or reimbursements were as follows:

<b>Fund</b>	<b>Fees Waived/ Reimbursed By Advisor</b>	<b>Recoupment of Past Waived Fees By Advisor</b>	<b>Total</b>
<b>Seafarer Overseas Growth and Income Fund</b>			
Investor Class	\$ 82,030	\$ –	\$ 82,030
Institutional Class	44,829	\$ –	44,829

As of October 31, 2012, the balances of recoupable expenses for each class were as follows:

<b>Fund</b>	<b>Expires 2015</b>	<b>Expires 2016</b>	<b>Total</b>
<b>Seafarer Overseas Growth and Income Fund</b>			
Investor Class	\$ 22,136	\$ 82,030	\$ 104,166
Institutional Class	51,869	44,829	96,698

### Fund Accounting Fees and Expenses

ALPS Fund Services, Inc. ("ALPS" and the "Administrator") (an affiliate of ALPS Distributors, Inc.) provides administrative, fund accounting and other services to the Fund under the Administration, Bookkeeping and Pricing Services Agreement with the Trust. Under this Agreement, ALPS is paid fees, accrued on a daily basis and paid on a monthly basis following the end of the month, based on the greater of (a) an annual total fee of \$123,000 in year one and \$143,000 in year two and forward from the first to the last, or projected last, day of the then-current year of services; or (b) the following fee schedule:

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

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

The Adviser provides shareholder and administrative services to the Fund under the Co-Administration and Shareholder Services Agreement with the Trust. Under this Agreement, the Adviser is paid fees, accrued on a daily basis and paid on a monthly basis following the end of the month, of 0.10% of the average daily net assets of the Investor Class and of 0.05% of the average daily net assets of the Institutional Class and is reimbursed for certain out-of-pocket expenses.

### Transfer Agent

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

### Compliance Services

ALPS provides services that assist the Fund's Chief Compliance Officer in monitoring and testing the policies and procedures of the Trust on a daily basis in conjunction with requirements under Rule 38a-1 under the 1940 Act under the Chief Compliance Officer Services Agreement with the Trust.

*October 31, 2012 (Unaudited)*

Under this Agreement, the Adviser pays ALPS an annual base fee of \$30,000 and reimburses ALPS for certain out-of-pocket expenses.

### **Principal Financial Officer**

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

### **Distributor**

ALPS Distributors, Inc. ("ADI" or the "Distributor") (an affiliate of ALPS) acts as the distributor of the Fund's shares pursuant to the Distribution Agreement with the Trust. Shares are sold on a continuous basis by ADI as agent for the Fund, and ADI has agreed to use its best efforts to solicit orders for the sale of the Fund's shares, although it is not obliged to sell any particular amount of shares. ADI is registered as a broker-dealer with the Securities and Exchange Commission.

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

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

## **7. INDEMNIFICATIONS**

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

## I. FUND HOLDINGS

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

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

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

*Page Intentionally Left Blank.*

*Page Intentionally Left Blank.*





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

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