Seafarer Overseas Growth and Income Fund

Investor Class SFGIX
Institutional Class SIGIX

SEMI-ANNUAL REPORT

October 31, 2015

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LETTER TO SHAREHOLDERS

November 16, 2015

Dear Fellow Shareholders,

I am pleased to address you again on behalf of the Seafarer Overseas Growth and Income Fund. This report addresses the first half of the Fund's fiscal year (May 1, 2015 to October 31, 2015).

During the semi-annual period, the Fund declined -12.77%, while the Fund's benchmark, the MSCI Emerging Markets Total Return Index, fell -17.55%.[1] By way of broader comparison, the S&P 500 Index rose 0.77%.

The Fund began the fiscal year with a net asset value of $12.66 per share. In June, the Fund paid a semi-annual distribution of $0.060 per share. That payment brought the cumulative distribution per share, as measured from the Fund's inception,[2] to $1.091. The Fund finished the semi-annual period with a value of $10.99 per share.[3]

Performance Review

Two main events impacted performance during the fiscal half-year: severe weakness among most emerging market currencies, precipitated by the downgrade in Brazil's sovereign bond rating to "junk" status, and a sharp stock market correction in China.

In a portfolio review published in early 2015,[4] I wrote that I expected weakness in emerging market currencies to continue, but to moderate:

> *Looking forward, Seafarer's analysis and my instinct both suggest that most of the currency "pain" is in the past. Certainly, the [negative] conditions [that have caused currencies to decline versus the U.S. dollar] still exist, and consequently the [downward] trend may continue for some time. How long I do not know. Yet it is difficult to underestimate the magnitude of the adjustment that has already taken place.*

My prediction was terribly wrong. Rather than moderate, the weakness in most currencies escalated. From May 1st to October 31st, the Brazilian Real fell 22% versus the U.S. dollar; the Malaysian Ringgit was off 17%; the Turkish Lira dropped 8%; the Mexican Peso was down 7%; and the Indonesian Rupiah declined 5%.[5] Even the Renminbi, China's currency – notoriously stable, and occasionally strong over the past decade – depreciated about 2% during the semi-annual period as the Chinese government materially altered the mechanism that sets the currency's value versus the dollar.

The Brazilian Real's decline was spurred by the downgrade of the country's sovereign debt to a level equivalent to "junk." For the past four years, the country has been saddled with poor economic and fiscal policy under the Rousseff administration. President Rousseff has signaled her willingness to revise policies and introduce greater fiscal discipline. However, her political support has deteriorated to such an extent that she can find no allies in the Brazilian legislature. The resulting gridlock, combined with the fiscal shortfall, led at least one major rating agency to move Brazil's bonds into "junk status."

While the Real suffered the most acute loss, many currencies were weak during the period. The overall impact on the Fund was pronounced: I estimate that just under half of the Fund's drop during the six-month period was due to currency depreciation. The benchmark suffered as well, as over one third of the index's losses were due to currency effects.

Apart from currencies, the other major source of weakness was China. The country's stock markets collapsed from June to August, undermining both the index and the Fund. In the spring of 2015, I had some sense that China's stock market might experience a correction (see the video *China's Emergence, In Context* on the Seafarer website, from June 2015[6]). I did not have definitive knowledge as to when the correction might occur – the aforementioned video was recorded only a week before the sell-off began in earnest – yet I had recognized conditions that appeared sufficiently extreme as to warrant caution.

I thought the best precaution was to ensure that the Fund's China-related holdings had "defensive valuations." By "defensive," I mean security valuations low enough as to be reasonably confident that such securities might avoid full participation in a market-wide sell-off; and also valuations that feature current yields that could prove attractive in the event of a decline (and thereby offer a second line of "defense" against a potential correction). At the same time, I believed it paramount to avoid Chinese stocks that had been caught up in the chaotic surge that characterized the second quarter. I thought such stock gains would prove unsustainable, as they appeared to be financed by retail investors reliant on excessive amounts of margin finance.

Unfortunately, my notion of "defensive" valuations proved faulty. The Fund held eight China-linked securities – seven stocks listed on the Hong Kong Stock Exchange, plus one bond – all denominated in Hong Kong dollars. All the stocks fell in unison with the sell-off in Chinese stocks that took place over the summer. The Fund's holdings in China marginally outperformed the benchmark's China holdings during the semi-annual period (17.6% decline for the Fund, versus 22.4% for the index). Nonetheless, that result was bitterly disappointing, particularly as China's stock markets seemed devoid of any "defensive" haven – or at least I found none. The Fund's China-related losses accounted for a bit more than one quarter of the Fund's decline during the period.

The Fund's outperformance versus the benchmark during the fiscal half-year was mainly due to security selection in China, where the Fund owned two small caps that avoided the brunt of the market's losses (Texwinca, a textile company, and Pico Far East, a media firm); to security selection in Malaysia (Hartalega, a disposable glove maker); and to security selection in South Korea (Samsung Electronics, a technology giant that announced a share buyback).

Death of the Emerging Markets

The Seafarer Overseas Growth and Income Fund launched on February 15th, 2012. The intervening 45 months have been very problematic for the developing world. Between the Fund's inception and October 31st of this year, the Fund's benchmark index declined -10.64%, measured cumulatively. The S&P 500 rose 67.42% over the same period.

Over the past four years, the emerging markets have been beset by numerous challenges. Nearly all countries have suffered from decelerating economic growth; most have incurred severe currency weakness; several have experienced some form of credit or financial shock; and some have been shaken by political strife and instability. The poor performance of emerging market stocks in combination with such challenges has led a number of analysts to declare the "death" of the emerging markets as an asset class.[7] Other analysts have questioned whether the asset class ever made sense in the first place: it seems little more than a haphazard collection of countries with weak governance and which are prone to boom-and-bust cycles. The fleeting gains that these markets produce are nearly always wrecked by episodic currency crises. Even long-term investors struggle to produce gains, and many understandably wonder whether "emerging markets" have any place in their portfolio whatsoever.

To be candid: though I established Seafarer based on the sincere belief that the developing world has much to offer long-term investors, the past four years have given me pause. The going has been rough. While the Fund has produced gains and outperformed its benchmark since inception, its performance has been choppy, well below that of the S&P, and by no means immune to the conditions described above. I still perceive the potential of these markets. However, I acknowledge that it is very fair to question whether these markets are "dead," and it is necessary that I address this question directly.

An Incoherent Group

Before I provide a view on the future viability of the asset class, I would like to first summarize and respond to the main arguments regarding its demise. One of the most prevalent views today is that the asset class is outdated and nonsensical: it represents an overbroad range of countries that, after three decades of evolution, have little in common. The complaint recognizes that the markets have disparate scale, growth models, economic cycles, and political structures. Proponents of this argument question whether such dissimilar markets can ever perform in tandem, and thereby constitute a coherent asset class.

I agree entirely with this view, with one important caveat: based on the same logic, the asset class never made sense in the first place. Lumping together China with Malaysia, India with South Korea, Poland with Russia was always a questionable proposition. There has never been much to unite these markets in the first place; yet careful observers could see even thirty years ago that some markets were clearly more important in terms of their potential scale and economic heft than others. Personally, I think the "emerging markets" were melded into one class some thirty years ago only because all were alien and small in the eyes of most Western investors. They formed a motley group of castoffs; but Modern Portfolio Theory (or "MPT," an asset allocation framework developed by Dr. Harry Markowitz) demanded they be slotted somewhere. Thus an ill-formed asset class was born. Today, the economic structure and scale of a few of these markets (especially China) vastly eclipses the rest, making the differences within the class too large to ignore – ironically giving rise to the now prevalent, three-decade-late-dollar-short view that the asset class "doesn't make sense."

China-Plus

The recognition that China's potential is unique among the emerging markets leads to the second common critique: the traditional notion of "emerging markets" is outdated, as it fails to recognize China's prominence. A modern version would recast the asset class as "China-Plus."[8] The underlying idea is that China's fortunes dominate the rest of the developing world to such great extent that all other countries should be relegated to an adjunct position (denoted as a "plus") within a China-centric portfolio. Essentially, a long-term investment in the emerging markets must strive to get China "right" with a majority allocation (e.g., perhaps 75% or more of the portfolio); everything else worth owning in the developing world can be safely relegated to the remainder (e.g., 25%).

I have strong sympathies with this argument, too. For the majority of my career, I was an Asia specialist for this very reason. I have long believed that China's scale and potential for sustainable growth distinguished it from the rest of the developing world. At every opportunity, I have derided the "BRIC" concept,[9] as I believe catchy acronyms are a poor substitute for an investment strategy. However, the BRIC concept has one thing to recommend it: it elevates certain markets – including China – above the rest. BRIC reminds investors that some markets possess greater potential, and therefore should figure more prominently in portfolio construction (even as I question why Brazil and Russia made the list).

Why, then, do I not run a China-centric fund? There are two reasons. First: both my heart and my mind tell me that the 2.9 billion people that live in the developing world outside China cannot be "safely relegated" to the residual 25%. Growth, progress and wealth creation can occur anywhere, against the grain. Second: China's rise is not a foregone conclusion. I believe that in order for China to reach its full potential – the sort of potential that would validate a "China-Plus" approach – the country must introduce economic reforms that would ultimately unseat the communist party. I do not believe there is any other way. This is the core, unspoken question that gnaws at the heart of any "China-Plus" strategy: will the party let go of China, so that the nation might emerge, and rise above the rest? I do not know, and no one does, except perhaps in the core of the central politburo. I can state sincerely that, at least so far, the party has not shied from such reforms, but the hardest work is yet to come.

Always Emerging, Never Emerged

This leads to a third objection against the asset class: do any of these emerging markets ever emerge, anyway? They seem trapped in a never-ending boom-bust cycle, from which none escape to attain development. There are many versions of this argument. One version is that the developing world is nothing more than a cluster of unstable economies highly dependent on commodity prices for growth. When commodity prices collapse, so too does the developing world.[10] Another version rests on the idea that the developing world suffers from graft and poor governance, such that "success [leads] to arrogance and complacency – and the next downturn."[11] Effectively, the developing world is saddled with weak social and government institutions, and its economies lurch from one political crisis or corruption scandal to the next. A third version (and the most important, in my view) focuses on the currencies: perhaps the countries make some progress, and their securities markets might occasionally rise; but ultimately their currencies collapse versus the U.S. dollar, undermining any notion of wealth creation for the local citizen and the foreign investor alike.

I think the first and second versions of this argument are largely hogwash. I do not disagree with the observation that resource industries are prominent in the developing world, or that most emerging market countries suffer from poor governance. I disagree with the timeframe implicit in such judgments: these views mistake cyclical downturns for structural failure. The analysts that advance such arguments are the impatient denizens of Wall Street, and they lack any sense of the time and effort required to produce progress in the real world. They fail to recognize that living standards have improved considerably (in some cases immensely) across most of the emerging markets during the past thirty years.

I completely concur with the third version of the argument, though. I think the emerging markets' progress, as measured in U.S. dollar terms, has been interrupted by major currency crises with distressing regularity. During my education and career, I have lived through three such crises. I have come to believe that, unless a government holds absolute power such that it can ignore the will of its people, the very act of socio-economic development obliges a country to adopt fiscal and monetary policies that are inflationary relative to those of the U.S. dollar. This consigns most emerging market currencies to a state of routine "slippage" versus the dollar, sometimes punctuated by sharp crises. So far, the emerging markets appear unable to escape from this cycle, and they may never do so. I will return to this topic below.

Decouple or Bust

A fourth argument follows from the third: even if the developing world "emerges" (i.e., attains wealth and the many other characteristics of the developed world), do these markets ever "decouple?" Investors have declared the asset class as-good-as-dead because it has not performed according to their expectations. Those expectations rested on a tenuous assumption, namely that emerging market stocks would somehow both grow and behave in a counter-cyclical (non-correlated) manner relative to stocks in the developed world.

I think the notion of decoupling was always misplaced, or at least so poorly defined that it was bound to give rise to frustration. The notion of decoupling is too complicated for me to address properly in this letter. However, I can state one idea briefly: the notion of development-driven growth is incompatible with the notion of non-correlated returns. Simply put, the developing world has grown explicitly because it has coupled with the rest of the world, not the opposite.

Thirty years ago, nearly every corner of the developing world was poor, with isolated markets and broken economies. The progress that has followed since has occurred because selected countries adopted policies that promoted openness, competition, deregulation, and trade. The potential of the emerging markets was unlocked via integration; the growth that ensued occurred because the markets coupled with the rest of the world. To expect the emerging markets to offer differentiated performance during an acute crisis is to ignore what made them investable, and growth-oriented in the first place.

"Decoupled" (uncorrelated) markets still exist today – in financial parlance, they are mostly known as "frontier" markets – but they are the same small, poor and isolated economies that were prevalent in the emerging world thirty years ago. Only when they "couple" will they "emerge." In so doing, their economies and financial markets will assuredly become more correlated with the rest of the world.

U.S. Multinationals Are All You Need

The fifth and final argument is an older one, and it has a chief proponent, the estimable Jack Bogle, founder and former CEO of Vanguard. Bogle believes the emerging market asset class is redundant. He argues that large, U.S.-based multinationals have expanded overseas, and that many derive significant revenues and profits from the developing world. Bogle suggests that indirect exposure is sufficient for most investors, not least because it can be achieved through U.S. companies that exhibit better transparency and governance than their emerging market counterparts.

The last bit of that argument holds some truth, but it mostly smacks of "home market bias." There is plenty of evidence that North America companies are not immune to accounting and governance scandals. By contrast, the former part of the argument cannot be dismissed. At the outset of my career, very few multinationals had a material presence in Asia (I worked there as a consultant). Companies gave lip service to the idea of international expansion, but few had material revenues or profits derived from the developing world.

Much is different today. U.S. companies have expanded into the emerging markets, and Bogle's argument deserves attention. Still, my experience suggests that multinationals are present mostly in large, well-established sectors. Few operate in the nascent industries that drive much of the markets' marginal growth. For example: domestic firms seem to control most service industries, presumably because they are closer to customers, and they know regulatory standards better. Bogle has made the same argument for decades. It now holds more truth than it once did. Yet his U.S.-centric prescription underestimates the breadth and depth of the emerging markets – and I do not believe it renders the asset class redundant, not by a long shot.

The Emerging Markets Are Dead; Long Live The Emerging Markets

Each of the preceding arguments is flawed, but each holds an element of critical truth. Obviously, I do not think the asset class is "dead." Yet the traditional notion of the asset class is outmoded, and I recognize the need to develop a new definition that accounts for such truths. In my opinion, three criticisms of the asset class carry particular weight:

1. the emerging markets have little in common, except that all suffer from weak domestic institutions and dysfunctional local markets;
2. currencies pose a constant threat to economic development and investors' returns; and
3. traditional notions of the asset class belie China's prominence.

I will address each item in turn.

Defined by Dysfunction

It may seem counterintuitive, but I believe the first item is an answer unto itself. Analysts point to little that unites the emerging markets, but nearly everyone decries the prevalence of flawed institutions and faulty local markets. I posit that this complaint is central to the very definition of the asset class. The only thing that unites these markets is their shortcomings, and therefore the definition should rest upon such flaws.

Traditionally, investors have used a wide range of measures to delineate what was, and was not, an "emerging market" (e.g., income per capita, growth rates, technology adoption). I propose that a revised definition concentrate on the status of local markets and social institutions – especially the presence (or absence) of well-formed capital markets. As an investor, I believe the depth, breadth and liquidity of capital markets influences the propensity for liquidity shocks and credit crunches. Liquidity and credit shocks tend to beget economic disruptions. For better or worse, I believe the frequency and severity of such disruptions are central to the very nature of what it means to be an "emerging market."

This sounds awful: an emerging market is defined by its failings rather than its potential. Again, it may seem counterintuitive, but I believe that a developing country's shortcomings are precisely what give rise to its raw potential for growth. Countries grow in a sustainable manner when they raise their productivity. A developing country that struggles with economic or financial shortcomings ironically has greater room to demonstrate progress, as it has the potential to grow from a low base. Obviously, economic instability and severe cycles are undesirable for everyone, especially for the residents of the developing world. Yet as an investor, one must recognize that the potential for an emerging market is not derived from its present state, flawed and cyclical as it may be. Rather, the potential is derived from the capacity to one day escape that state, address structural flaws, make economic progress, and move onward. The pace of change may seem glacial at times, but institutions do develop; capital markets do deepen, and grow more liquid; and economic shocks lessen in severity and frequency.

All of this represents progress; it is manifest in growth and rising stock prices. Savvy investors can capitalize on the volatility and mispriced securities that inevitably accompany an economic shock – indeed, the exacerbated volatility is what gives long-term investors the chance to capture excess returns. More importantly, though, patient investors must embrace the idea that "emerging markets" are severely flawed by definition. It is precisely those flaws that produce the potential for growth and returns that make the securities worth owning in the first place.

The Currency Conundrum

As discussed above, the threat of currency loss poses a constant threat to the asset class. I do not believe that most economies can successfully "emerge" without adopting monetary and fiscal polices that are generally "looser" than those of the U.S. dollar. This means that most emerging market currencies have an embedded "inflationary" bias and will weaken versus the dollar over time. This condition may manifest itself in ordinary, modest depreciation; or it might manifest itself in extraordinary volatility and loss – a currency crisis.

Unfortunately, I do not know of a productive means to avoid currency risk. Instead, any serious emerging market investor must embrace currency risk and manage it. The cost of hedging all currencies, all the time, exceeds the benefit. Hedging costs are practical only if one can predict which currency will fall next, and to what extent – and such prediction is beyond the reach of most mortals (certainly, it is beyond me). There is one bit of happy news. I have estimated the long-term cost of currency risk (see the video *Currency Risk, in Context* on the Seafarer website[12]). Provided that a long-term investor owns a well-diversified basket of equities, the expected cost of currency risk is a small fraction of the expected benefit from owning emerging market equities.

Still, I do not know how currency risk can ever be resolved. The emerging markets are, by definition, stuck with weak institutions and poorly formed capital markets. However, in order to grow, these countries must invest in physical and social infrastructure at very large scale. Obviously, large-scale investment requires substantial capital, but stunted capital markets mean that the developing world faces a constant deficit. This makes the emerging markets structurally dependent on foreign borrowing, usually from U.S. dollar-based creditors. This sort of borrowing is so well known in academic circles that it has an analytical name: researchers call it "original sin." As discussed above, the developing world is prone to follow "inflationary" currency policies. Unfortunately, dollar-based borrowing combined with weak currency policies mean that developing countries naturally veer toward currency weakness (or outright collapse). If pressed, I can imagine only one long-shot scenario that might arrest this depressing cycle: the emerging markets must discover a new currency that could act as an alternate source of long-term funding, and thereby move beyond the dollar.

China's Prominence

This brings me directly to China, and its special role within the developing world. China casts an outsized shadow over the economic cycle of the emerging markets; indeed, China's economy now impacts the global economic cycle. This is especially evident in markets for resources, commodities, and energy: when China is expanding, prices in these markets are firm; when China's economy is soft, so too are prices. The vagaries of China's domestic credit cycle and the ulterior motives of its large, state-owned enterprises create distortions in global markets.

Today, the idea that China dominates the fortunes of the emerging markets is incontrovertible. Yet only four years ago, this was not widely recognized. Certainly, everyone at that time recognized China's impact on commodity prices. Yet it seemed to me that most analysts were firmly in the thrall of a resource super-cycle, in which China played only a marginal, swing-price role.[13] Hindsight suggests that China's role in underpinning the cycle was far greater than most understood; and accordingly, the up-cycle that emerging markets enjoyed between 2005 and 2011 was far more dependent on China than most believed. I would go so far as to say that, without China, much of the rest of the growth would not have happened.

China's economic heft gives it great power, and the ability to influence the economic cycles of other nations. Whether China will use its power in an ethical fashion is open to serious debate. For now, I only wish to note that China's power is tangible, the leadership is aware of it, and China will likely employ its power more directly in the future.

One likely ramification is that China will promote use of its currency by encouraging its trading partners within the developing world to use the currency extensively for trade and capital investment. Within the next decade, I would not be surprised if China pushes its trading partners to pay for their imports from China exclusively in Renminbi. Likewise, China might offer discounted prices on its capital equipment (e.g., industrial machinery) and other exports, provided the trading partners pay in Renminbi. I expect that China's banks would be happy to extend long-term Renminbi loans, or arrange "Panda" bond issues, in order to fund purchases of capital goods.[14]

Lastly, I would not be surprised if China made a firm request that commodity producers – oil, iron ore, copper, and perhaps gold – quote their output in Renminbi, not just U.S. dollars. I imagine that in order to foster a new double-quote standard, China will offer a Renminbi quote that stands at a reasonable premium over the dollar quote. Given the depressed state of most commodity markets, I imagine that the price premium will quickly overcome any concerns that producers have regarding the adoption of the Renminbi.

The Future of the Asset Class

So, what do I think of the future of the emerging markets asset class? In order for it to remain relevant, it must be redefined. I believe the new definition must encompass the following four characteristics:

1. Global investors will define the emerging markets by their dysfunctions, rather than thematic overlays or spurious growth narratives. Investors will recognize that the formative and haphazard state of emerging markets may be what induces their volatility, but it also gives rise to their growth potential, and therefore it is the source of their return. The growth that draws investors to the asset class derives from the fact that these markets are emerging from a low base – they have much room to grow, but only because they are doing so from humble (and often problematic) beginnings. Personally, I believe the scope for such growth is still very compelling. In addition, investors drawn to active management will recognize that the markets' heightened volatility induces mis-pricings with greater frequency, and therefore may generate the opportunity to produce excess returns.

2. Currency risk will remain a central feature of the asset class. Investors will recognize that the very act of development, combined with the emerging markets' structural capital deficit, naturally begets currency weakness versus the U.S dollar. Savvy investors will recognize that currency risk does not "come out in the wash," but rather imposes a structural drag on returns. However, thoughtful investors will recognize that the expected cost of this drag does not outweigh the expected benefit from investing in the growth potential of the developing world. Accordingly, long-term investors will seek to actively manage currency risk – by hedging, if it ever becomes cost-effective (it is not so at present) – or by careful diversification otherwise.

3. Short of a catastrophic event,[15] China will gain further prominence as a political and economic force within the developing world. Accordingly, China will comprise a much larger portion of all international benchmark indices in the next decade. I do not know whether China will occupy 75% or more of the emerging market asset class (today, the MSCI Emerging Market Index has a 28% weighting in China); but I am thoroughly convinced that China's allocation will be a great deal larger than it is now. Critics question whether, in the interim, the economy will face a depression or outright collapse. Their concerns are relevant, and I do not dismiss the risk that China faces a financial or economic shock. At the same time, this concern ignores two simple truths: that China's economy is already very large, and its underlying markets are making steady progress toward liberalization and deregulation. There is only one way I can interpret those two basic facts over the long term: in the coming decades, China's economy will be much larger than it is today, regardless of whether or not it experiences a "hard landing" along the way. Investors that concur must seek means to gain greater exposure to China over the long-term.

4. As China continues to liberalize its economy, the country will simultaneously push for the internationalization of the Renminbi, first and foremost within the developing world. In so doing, China may inadvertently provide a means by which the emerging markets can avoid U.S. dollar-driven "original sin." Emerging market companies are likely to discover that the rate cycles that govern the Renminbi are naturally synchronized with their own domestic cycles. Borrowers are likely to prefer the Renminbi as a funding currency if they perceive lower "slippage" costs versus the dollar. If China makes the Renminbi freely and easily traded around the world, there is an outside chance that the emerging markets will move beyond the dollar, and escape the currency risk that has shackled their progress in the past.

Announcements

I am pleased to report that Seafarer Capital Partners, the Fund's adviser, continues to invest in its team and resources in order to better serve your Fund.

During the past six months, Seafarer introduced two new members to its team: Martin Fawzy and Kevin Jo. Martin is Seafarer's dedicated compliance professional; he now occupies the role of Assistant Chief Compliance Officer. Kevin Jo joined as an Operations Analyst. He contributes to the firm's trading and settlement functions. We welcome both Martin and Kevin to the firm.

Over the past six months, the Fund's scale has grown considerably. At the end of the preceding fiscal year, on April 30, 2015, net assets totaled $183 million. Six months later, on October 31, net assets had risen to $700 million, representing approximately 283% growth. In conjunction with this growth in assets, Seafarer is pleased to deliver lower costs to the Fund's shareholders. As of September 1, 2015, Seafarer reduced the contractual cap on expenses for the Investor share class from 1.25% to 1.15% (the Institutional class remains unchanged, at 1.05%). In addition, Seafarer has extended the contractual cap for twenty-four months (the prior cap was for twelve months), with the intent to renew the same obligation for the foreseeable future.

The Fund's current scale may afford it additional economic benefits. Seafarer Capital Partners has imposed a contractual cap on expenses since the Fund's inception. In order to implement the cap, through much of the Fund's existence Seafarer waived all or part of its management fee, and during certain periods it directly subsidized the Fund. The cap ensured that, even if the Fund's net assets were small, net expenses would not exceed the contractual commitment – regardless of the actual level of gross expenses, which might have been considerably higher than the limit imposed by the cap.

While no assurances can be made regarding the Fund's future, at the Fund's current size, we estimate that gross expenses will naturally fall below the current contractual cap. Seafarer has sought to implement an efficient cost structure for the Fund, particularly with respect to administrative and custodial costs. The Fund's current scale should reveal a portion of those efficiencies. Seafarer's goal is to reduce costs over time, and with scale. In the future, Seafarer believes that the Fund's natural economies of scale will do more to lower costs sustainably than would revisions to the existing expense caps.

Thank you for entrusting us with your capital. We are, as always, honored to serve as your investment adviser in the emerging markets.

Sincerely,

Andrew Foster
Chief Investment Officer
Seafarer Capital Partners, LLC

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

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

The views of the author 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 are those of the author only, and 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. Neither Seafarer Capital Partners, LLC, nor the Fund accepts any liability for losses either direct or consequential caused by the use of this information.

Information on the Seafarer website is provided for textual reference only, and is not incorporated by reference into this letter or report.

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.

1 *References to the "Fund" pertain to the Fund's Institutional share class (ticker: SIGIX). The Investor share class (ticker: SFGIX) declined -12.80% during the semi-annual period.*

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

3 *The Fund's Investor share class began the fiscal year with a net asset value of $12.64 per share; it paid a semi-annual distribution of $0.059 per share in June; and it finished the semi-annual period with a value of $10.97 per share.*

4 *The Portfolio Review for the fourth quarter of 2014 is available at: www.seafarerfunds.com/fund/portfolio-review/2014/12/Q4*

5 *Sources: Bloomberg and Seafarer.*

6 *The "China's Emergence, In Context" video is available at www.seafarerfunds.com/video/2015/06/chinas-emergence-in-context*

7 *See, for instance, John Paul Smith as quoted in the article by James Kynge and Jonathan Wheatley, "Emerging Markets: Redrawing the World Map," Financial Times, 3 August 2015.*

8 *Ajay Kapur, "The GEMs Inquirer – Emerging Markets: A Falling Knife," Merrill Lynch, 29 July 2015.*

9 *"BRIC" is an acronym that refers to the four largest emerging market countries – Brazil, Russia, India, and China.*

10 *Ruchir Sharma, "The Emerging Market Comedown," The Wall Street Journal, 21 January 2014. Mr. Sharma comments that "many emerging markets rely heavily on commodities for the bulk of their exports, and they grow at catch-up speeds—at a rate faster than the world's leading economy—only when commodity prices are rising."*

11 *Ruchir Sharma, "The Ever-Emerging Markets," Foreign Affairs, January / February 2014.*

12 *The "Currency Risk, In Context" video is available at www.seafarerfunds.com/video/2015/03/currency-risk-in-context*

13 *See, for instance, Jeremy Grantham, "Time to Wake Up: Days of Abundant Resources and Falling Prices Are Over Forever," GMO, April 2011.*

14 *A "Panda bond" is a Renminbi-denominated bond issued by a company of non-Chinese origin, usually sold within China.*

15 *By "catastrophic event," I am primarily imagining a scenario in which China went to war with another global power.*

Seafarer Overseas Growth and Income Fund Performance

Total Return *(As of October 31, 2015)*	**1 Year**	**3 Years**	**Since Inception* - Annualized**	**Net Expense Ratio****
Investor Class (SFGIX)	-4.03%	3.36%	5.14%	1.15%
Institutional Class (SIGIX)	-3.92%	3.52%	5.27%	1.05%
MSCI Emerging Markets Total Return Index^	-14.22%	-2.53%	-2.99%	

*Gross expense ratio: 1.25% for Investor Class; 1.15% for Institutional Class. Ratios as of the Prospectus dated August 31, 2015***

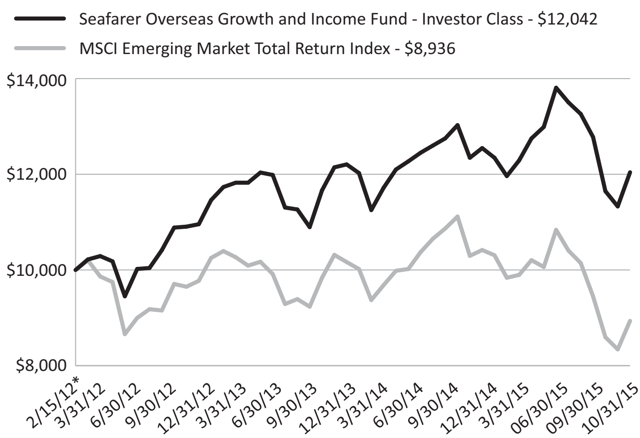
All performance is in U.S. dollars with gross (pre-tax) dividends and/or distributions reinvested. The performance data quoted represents past performance and does not guarantee future results. Future returns may be lower or higher. The investment return and principal value will fluctuate so that an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

* *Inception Date: February 15, 2012.*

** *Seafarer Capital Partners, LLC has agreed contractually to waive and/or reimburse fees or expenses in order to limit Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursements (excluding brokerage expenses, interest expenses, taxes and extraordinary expenses) to 1.15% 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.*

^ *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: 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, 2015. All returns reflect reinvested dividends and/or distributions, but do not reflect the deduction of taxes that an investor would pay on distributions or redemptions.

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

Investment Objective

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

Strategy

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

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

Fund Characteristics

Inception Date	February 15, 2012
Net Assets	$700.1M
Portfolio Turnover[1]	0%

	Investor Class	Institutional Class
Ticker	SFGIX	SIGIX
NAV	$10.97	$10.99
30-Day SEC Yield	2.22%	2.32%
Fund Distribution Yield	1.63%	1.73%
Net Expense Ratio	1.15%	1.05%
Redemption Fee (within 90 calendar days)	2.00%	2.00%
Minimum Initial Investment	$2,500	$100,000
Minimum Initial Investment - Automatic Investment Plan	$1,500	$100,000
Minimum Initial Investment - Retirement Account	$1,000	$100,000

Underlying Portfolio Holdings

Number of Holdings	45
% of Net Assets in Top 10 Holdings	38%
Weighted Average Market Cap	$23.0B
Market Cap of Portfolio Median Dollar	$3.7B
Gross Portfolio Yield[2]	3.6%
Price / Book Value[2]	1.6
Price / Earnings[2,3]	12.5
Earnings Per Share Growth[2,3]	11%

1 For the six months ended October 31, 2015. Portfolio Turnover is for a period less than one year and is not annualized.
2 Calculated as a harmonic average of the underlying portfolio holdings.
3 Based on consensus earnings estimates for next year. Excludes securities for which consensus earnings estimates are not available.

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

Fund Distribution Yield: a measure of the sum of the Fund's income distributions during the trailing 380 days divided by the previous month's NAV (adjusted upward for any capital gains distributed over the same time period).

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 next year.

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

Past performance does not guarantee future results.

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

Top 10 Holdings

Holding	Sector	Country	Issuer Mkt Cap ($B)	Yield[1]	Price / Book	Price / Earnings[2]	EPS Growth[2]
Samsung Electronics Co. Ltd., Pfd.	Information Technology	South Korea	$177.1	1.9%	0.9	8	3%
Bank Pekao SA	Financials	Poland	$10.2	6.7%	1.8	15	4%
Banco Bradesco SA	Financials	Brazil	$29.2	5.3%	1.2	6	0%
Infosys, Ltd. ADR	Information Technology	India	$42.0	1.9%	4.7	19	9%
Singapore Telecommunications Ltd.	Telecom. Services	Singapore	$45.2	4.4%	2.5	15	7%
Hang Lung Properties, Ltd.	Financials	China / Hong Kong	$11.2	3.9%	0.7	14	-3%
Astra International Tbk PT	Consumer Discretionary	Indonesia	$17.2	3.7%	2.4	12	10%
Sanlam, Ltd.	Financials	South Africa	$9.9	3.6%	3.0	13	13%
Texwinca Holdings, Ltd.	Consumer Discretionary	China / Hong Kong	$1.3	7.4%	1.7	10	13%
Valid Solucoes	Industrials	Brazil	$0.8	1.7%	3.9	14	26%

Cumulative Weight of Top 10 Holdings: **38%**
Total Number of Holdings: **45**

[1] *Yield = dividend yield for common and preferred stocks and yield to maturity for bonds.*
[2] *Based on consensus earnings estimates for next year.*

Portfolio holdings are subject to change and may not reflect the current or future position of the portfolio.

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

Portfolio Composition

Region/Country	% Net Assets
East & South Asia	**53**
China / Hong Kong	18
India	8
Indonesia	4
Japan	2
Malaysia	1
Singapore	7
South Korea	9
Taiwan	3
Vietnam	2
Eastern Europe	**13**
Poland	8
Turkey	5
Latin America	**22**
Brazil	15
Mexico	8
Middle East & Africa	**4**
South Africa	4
Cash and Other Assets, Less Liabilities	**8**
Total	**100**

Asset Class	% Net Assets
Common Stock	71
Preferred Stock	11
ADR	5
Foreign Currency Government Bond	2
Foreign Currency Convertible Bond	2
Foreign Currency Corporate Bond	1
USD Convertible Bond	0
Cash and Other Assets, Less Liabilities	8
Total	**100**

Market Capitalization of Issuer	% Net Assets
Large Cap (over $10 billion)	37
Mid Cap ($1 - $10 billion)	39
Small Cap (under $1 billion)	14
Not Applicable	2
Cash and Other Assets, Less Liabilities	8
Total	**100**

Sector	% Net Assets
Consumer Discretionary	14
Consumer Staples	4
Energy	–
Financials*	22
Government	2
Health Care	10
Industrials	8
Information Technology	20
Materials	4
Telecommunication Services	5
Utilities	2
Cash and Other Assets, Less Liabilities	8
Total	**100**

* *The Fund's holdings in the Financials sector include property-related stocks, which are classified within the "Financials sector" according to the Global Industry Classification Standard (GICS) methodology utilized herein. Property-related holdings comprised 4% of the Fund's net assets as of October 31, 2015.*

Due to rounding, percentage values may not sum to 100%. Values less than 0.5% may be rounded to 0%.

Top 5 Performance Contributors and Detractors

For the six months ended October 31, 2015

Contributors	% Net Assets[1]
Infosys, Ltd. ADR	4.1
Bao Viet Holdings	1.0
Samsung Electronics Co. Ltd., Pfd.	4.9
Iochpe-Maxion SA	1.2
Grupo Herdez SAB de CV	1.8

Detractors	% Net Assets[1]
Valid Solucoes	2.8
Sanlam, Ltd.	3.4
Cia Vale do Rio Doce, Pfd.	1.7
Hang Lung Properties, Ltd.	4.0
Banco Bradesco SA	4.1

[1] *As of end of period.*

Source: Bloomberg.

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, 2015 and held until October 31, 2015.

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 05/01/15	Ending Account Value 10/31/15	Expense Ratio[(a)]	Expenses Paid During Period 05/01/15 - 10/31/15[(b)]
Investor Class				
Actual	$ 1,000.00	$ 872.00	1.20%	$ 5.65
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,019.10	1.20%	$ 6.09
Institutional Class				
Actual	$ 1,000.00	$ 872.30	1.05%	$ 4.94
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,019.86	1.05%	$ 5.33

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

(b) *Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (184)/366 (to reflect the half-year period).*

	Currency	Shares	Value
COMMON STOCKS (75.7%)			
Brazil (8.2%)			
Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao SA	BRL	1,705,000	$ 19,359,777
Odontoprev SA	BRL	6,750,000	17,292,658
TOTVS SA	BRL	1,386,700	12,286,510
Iochpe-Maxion SA	BRL	2,000,000	8,297,572
Total Brazil			57,236,517
China / Hong Kong (15.9%)			
Hang Lung Properties, Ltd.	HKD	11,550,000	28,260,805
Texwinca Holdings, Ltd.	HKD	20,976,000	20,413,448
Xinhua Winshare Publishing and Media Co., Ltd., Class H	HKD	21,380,000	17,978,347
Shandong Weigao Group Medical Polymer Co., Ltd., Class H	HKD	23,998,000	16,569,776
Greatview Aseptic Packaging Co., Ltd.	HKD	30,300,000	14,224,581
Pico Far East Holdings, Ltd.	HKD	36,838,000	9,791,020
Digital China Holdings, Ltd.	HKD	4,299,000	4,386,011
Total China / Hong Kong			111,623,988
India (7.9%)			
Infosys, Ltd., ADR	USD	1,570,000	28,511,200
Sun Pharma Advanced Research Co., Ltd.[a]	INR	2,580,786	15,220,789
Balkrishna Industries, Ltd.	INR	1,165,000	11,641,574
Total India			55,373,563
Indonesia (3.6%)			
Astra International Tbk PT	IDR	58,000,000	24,932,961
Total Indonesia			24,932,961
Japan (2.4%)			
Hisamitsu Pharmaceutical Co., Inc.	JPY	432,000	16,744,284
Total Japan			16,744,284

	Currency	Shares	Value
Malaysia (0.8%)			
Hartalega Holdings Bhd	MYR	4,550,000	$ 5,518,040
Total Malaysia			5,518,040
Mexico (6.4%)			
Bolsa Mexicana de Valores SAB de CV	MXN	9,800,000	16,375,062
Grupo Financiero Banorte SAB de CV	MXN	3,050,000	16,328,536
Grupo Herdez SAB de CV	MXN	4,400,000	12,229,474
Total Mexico			44,933,072
Poland (8.1%)			
Bank Pekao SA	PLN	785,000	30,526,764
Asseco Poland SA	PLN	903,011	13,329,076
PGE SA	PLN	3,375,000	12,562,545
Total Poland			56,418,385
Singapore (6.2%)			
Singapore Telecommunications, Ltd.	SGD	10,030,000	28,497,772
SIA Engineering Co., Ltd.	SGD	5,150,000	14,645,348
Total Singapore			43,143,120
South Africa (3.9%)			
Sanlam, Ltd.	ZAR	5,300,000	23,943,963
EOH Holdings, Ltd.	ZAR	305,000	3,367,933
Total South Africa			27,311,896
South Korea (3.8%)			
Dongsuh Co., Inc.	KRW	551,473	16,307,199
Sindoh Co., Ltd.	KRW	200,000	10,683,742
Total South Korea			26,990,941
Taiwan (2.8%)			
Taiwan Semiconductor Manufacturing Co., Ltd.	TWD	3,700,000	15,590,575

	Currency	Shares	Value
Taiwan (continued)			
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	USD	200,000	$ 4,392,000
Total Taiwan			19,982,575
Turkey (4.2%)			
Aselsan Elektronik Sanayi Ve Ticaret AS	TRY	3,050,000	14,580,780
Arcelik AS	TRY	2,675,000	14,577,595
Total Turkey			29,158,375
Vietnam (1.5%)			
Bao Viet Holdings	VND	2,500,000	6,799,504
Nam Long Investment Corp.	VND	3,150,000	3,003,962
Vietnam National Reinsurance Corp.	VND	815,790	840,061
Total Vietnam			10,643,527
TOTAL COMMON STOCKS (Cost $555,309,646)			530,011,244
PREFERRED STOCKS (10.6%)			
Brazil (5.8%)			
Banco Bradesco SA, ADR	USD	5,250,000	28,560,000
Vale SA	BRL	3,300,000	12,005,290
Total Brazil			40,565,290
South Korea (4.8%)			
Samsung Electronics Co., Ltd.	KRW	32,500	33,945,586
Total South Korea			33,945,586
TOTAL PREFERRED STOCKS (Cost $83,949,133)			74,510,876

	Currency	Rate	Maturity Date	Principal Amount	Value
FOREIGN CURRENCY CONVERTIBLE BONDS (1.8%)					
China / Hong Kong (1.8%)					
ASM Pacific Technology, Ltd.	HKD	2.00%	03/28/19	100,000,000	$ 12,886,099
Total China / Hong Kong					12,886,099
TOTAL FOREIGN CURRENCY CONVERTIBLE BONDS (Cost $13,390,434)					12,886,099
FOREIGN CURRENCY CORPORATE BONDS (1.2%)					
Mexico (1.2%)					
America Movil SAB de CV	MXN	7.13%	12/09/24	137,710,000	8,257,031
Total Mexico					8,257,031
TOTAL FOREIGN CURRENCY CORPORATE BONDS (Cost $8,064,472)					8,257,031
FOREIGN CURRENCY GOVERNMENT BONDS (2.2%)					
Brazil (0.6%)					
Brazilian Government International Bond	BRL	10.25%	01/10/28	20,000,000	4,358,818
Total Brazil					4,358,818
Indonesia (0.7%)					
Indonesia Treasury Bond, Series FR70	IDR	8.38%	03/15/24	70,000,000,000	5,000,775
Total Indonesia					5,000,775
Turkey (0.9%)					
Turkey Government Bond	TRY	8.80%	09/27/23	18,000,000	5,887,014
Total Turkey					5,887,014
TOTAL FOREIGN CURRENCY GOVERNMENT BONDS (Cost $17,876,490)					15,246,607

	Currency	Rate	Maturity Date	Principal Amount	Value
USD CONVERTIBLE BONDS (0.4%)					
Singapore (0.4%)					
Olam International, Ltd.	USD	6.00%	10/15/16	$ 2,500,000	$ 2,559,375
Total Singapore					2,559,375
TOTAL USD CONVERTIBLE BONDS (Cost $2,563,958)					2,559,375
TOTAL INVESTMENTS (Cost $681,154,133) (91.9%)					$ 643,471,232
Cash and Other Assets, Less Liabilities (8.1%)					56,610,774
NET ASSETS (100.0%)					$ 700,082,006

[a] *Non-income producing security.*

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

Currency Abbreviations

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

Common Abbreviations:

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

Holdings are subject to change.

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

See Accompanying Notes to Financial Statements.

October 31, 2015 (Unaudited)

ASSETS:		
Investments, at value	$	643,471,232
Cash		58,305,357
Foreign currency, at value (Cost $8,940,164)		8,900,539
Receivable for shares sold		4,767,987
Interest and dividends receivable		1,243,600
Prepaid expenses and other assets		16,841
Total Assets		716,705,556
LIABILITIES:		
Payable for investments purchased		15,683,617
Administrative fees payable		50,632
Shareholder service plan fees payable		70,267
Payable for shares redeemed		272,301
Investment advisory fees payable		472,147
Trustee fees and expenses payable		1,043
Audit and tax fees payable		13,492
Accrued expenses and other liabilities		60,051
Total Liabilities		16,623,550
NET ASSETS	$	700,082,006
NET ASSETS CONSIST OF:		
Paid-in capital (Note 5)	$	734,678,316
Accumulated net investment income		2,333,508
Accumulated net realized gain on investments and foreign currency transactions		788,026
Net unrealized depreciation on investments and translation of assets and liabilities in foreign currencies		(37,717,844)
NET ASSETS	$	700,082,006
INVESTMENTS, AT COST	$	681,154,133
PRICING OF SHARES		
Investor Class:		
Net Asset Value, offering and redemption price per share	$	10.97
Net Assets	$	354,473,583
Shares of beneficial interest outstanding		32,309,333
Institutional Class:		
Net Asset Value, offering and redemption price per share	$	10.99
Net Assets	$	345,608,423
Shares of beneficial interest outstanding		31,438,118

See Accompanying Notes to Financial Statements.

For the Six Months Ended October 31, 2015 (Unaudited)

INVESTMENT INCOME:	
Dividends	$ 6,725,938
Foreign taxes withheld on dividends	(440,319)
Interest and other income	574,814
Total investment income	6,860,433
EXPENSES:	
Investment advisory fees (Note 6)	1,620,427
Administrative and transfer agency fees	148,003
Trustee fees and expenses	3,829
Registration/filing fees	28,370
Shareholder service plan fees	
Investor Class	145,499
Institutional Class	43,728
Recoupment of previously waived fees	
Investor Class	168,622
Institutional Class	130,424
Legal fees	5,558
Audit fees	9,523
Reports to shareholders and printing fees	7,470
Custody fees	108,308
Miscellaneous	5,019
Total expenses	2,424,780
NET INVESTMENT INCOME:	4,435,653
Net realized loss on investments	(246,485)
Net realized loss on foreign currency transactions	(337,894)
Net change in unrealized depreciation on investments (net of foreign capital gains tax of $(233,737))	(52,179,116)
Net change in unrealized depreciation on translation of assets and liabilities in foreign currency transactions	(29,995)
NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS AND FOREIGN CURRENCY TRANSLATIONS	(52,793,490)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (48,357,837)

See Accompanying Notes to Financial Statements.

	For the Six Months Ended October 31, 2015 (Unaudited)	Year Ended April 30, 2015
OPERATIONS:		
Net investment income	$ 4,435,653	$ 1,478,828
Net realized gain/(loss) on investments and foreign currency transactions	(584,379)	3,072,569
Net change in unrealized appreciation/(depreciation) on investments and foreign currency translations	(52,209,111)	11,219,064
Net increase/(decrease) in net assets resulting from operations	(48,357,837)	15,770,461
DISTRIBUTIONS TO SHAREHOLDERS (NOTE 3):		
From net investment income		
Investor Class	$ (755,708)	$ (553,066)
Institutional Class	(901,823)	(1,354,908)
From net realized gains on investments		
Investor Class	–	(462,598)
Institutional Class	–	(1,176,662)
Net decrease in net assets from distributions	(1,657,531)	(3,547,234)
BENEFICIAL INTEREST TRANSACTIONS (NOTE 5):		
Shares sold		
Investor Class	$ 350,293,945	$ 35,017,066
Institutional Class	264,423,656	82,647,370
Dividends reinvested		
Investor Class	750,504	1,000,415
Institutional Class	663,284	2,292,073
Shares Redeemed, net of redemption fees		
Investor Class	(27,587,591)	(12,562,924)
Institutional Class	(21,703,261)	(11,165,061)
Net increase in net assets derived from beneficial interest transactions	566,840,537	97,228,939
Net increase in net assets	$ 516,825,169	$ 109,452,166
NET ASSETS:		
Beginning of period	$ 183,256,837	$ 73,804,671
End of period (including accumulated net investment income/(loss) of $2,333,508 and ($444,614), respectively)	$ 700,082,006	$ 183,256,837

	For the Six Months Ended October 31, 2015 (Unaudited)	Year Ended April 30, 2015
Other Information:		
SHARE TRANSACTIONS:		
Investor Class		
Sold	30,507,718	2,904,763
Distributions reinvested	61,266	90,196
Redeemed	(2,496,042)	(1,105,772)
Net increase in shares outstanding	28,072,942	1,889,187
Institutional Class		
Sold	23,122,778	6,996,213
Distributions reinvested	54,057	206,966
Redeemed	(1,987,749)	(977,140)
Net increase in shares outstanding	21,189,086	6,226,039

See Accompanying Notes to Financial Statements.

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For a share outstanding through the periods presented

Investor Class
NET ASSET VALUE, BEGINNING OF PERIOD
INCOME FROM OPERATIONS:
Net investment income[(a)]
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[(d)]
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[(g)]

(a) *Calculated using the average shares method.*

(b) *Less than $(0.005) per share.*

(c) *Less than $0.005 per share.*

(d) *Total returns are for the period indicated and have not been annualized. Total returns would have been lower had certain expenses not been waived during the period. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.*

(e) *Annualized.*

(f) *Effective September 1, 2015, the Adviser agreed to limit expenses to 1.15%. Prior to September 1, 2015, 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%.*

(g) *Portfolio turnover rate for periods less than one full year have not been annualized.*

(h) *Less than 0.5%.*

See Accompanying Notes to Financial Statements.

For the Six Months Ended October 31, 2015 (Unaudited)	Year Ended April 30, 2015	Year Ended April 30, 2014	Year Ended April 30, 2013	For the Period February 15, 2012 (Inception) to April 30, 2012
$ 12.64	$ 11.58	$ 11.91	$ 10.18	$ 10.00
0.10	0.14	0.19	0.10	0.05
(1.71)	1.26	0.02	1.74	0.13
(1.61)	1.40	0.21	1.84	0.18
(0.06)	(0.19)	(0.26)	(0.11)	–
–	(0.15)	(0.28)	(0.00) [b]	–
(0.06)	(0.34)	(0.54)	(0.11)	–
0.00 [c]	0.00 [c]	0.00 [c]	0.00 [c]	–
(1.67)	1.06	(0.33)	1.73	0.18
$ 10.97	$ 12.64	$ 11.58	$ 11.91	$ 10.18
(12.80%)	12.55%	1.93%	18.24%	1.80%
$ 354,474	$ 53,543	$ 27,181	$ 26,348	$ 1,443
1.20% [e]	1.30%	1.78%	2.82%	18.96% [e]
1.20% [e][f]	1.30% [f]	1.40%	1.49%	1.60% [e]
1.83% [e]	1.19%	1.66%	0.90%	2.61% [e]
0% [h]	28%	51%	39%	5%

For a share outstanding through the periods presented

Institutional Class
NET ASSET VALUE, BEGINNING OF PERIOD
INCOME FROM OPERATIONS:
Net investment income[(a)]
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[(d)]
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[(g)]

(a) *Calculated using the average shares method.*
(b) *Less than $(0.005) per share.*
(c) *Less than $0.005 per share.*
(d) *Total returns are for the period indicated and have not been annualized. Total returns would have been lower had certain expenses not been waived during the period. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.*
(e) *Annualized.*
(f) *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%.*
(g) *Portfolio turnover rate for periods less than one full year have not been annualized.*
(h) *Less than 0.5%.*

See Accompanying Notes to Financial Statements.

For the Six Months Ended October 31, 2015 (Unaudited)	Year Ended April 30, 2015	Year Ended April 30, 2014	Year Ended April 30, 2013	For the Period February 15, 2012 (Inception) to April 30, 2012
$ 12.66	$ 11.59	$ 11.91	$ 10.18	$ 10.00
0.13	0.15	0.21	0.14	0.04
(1.74)	1.28	0.02	1.71	0.14
(1.61)	1.43	0.23	1.85	0.18
(0.06)	(0.21)	(0.27)	(0.12)	–
–	(0.15)	(0.28)	(0.00) (b)	–
(0.06)	(0.36)	(0.55)	(0.12)	–
0.00 (c)	0.00 (c)	0.00 (c)	0.00 (c)	–
(1.67)	1.07	(0.32)	1.73	0.18
$ 10.99	$ 12.66	$ 11.59	$ 11.91	$ 10.18
(12.77%)	12.76%	2.12%	18.33%	1.80%
$ 345,608	$ 129,714	$ 46,624	$ 11,486	$ 1,346
1.05% (e)	1.18%	1.61%	2.88%	21.65% (e)
1.05% (e)	1.10% (f)	1.25%	1.35%	1.45% (e)
2.26% (e)	1.30%	1.89%	1.28%	2.00% (e)
0% (h)	28%	51%	39%	5%

1. ORGANIZATION

Financial Investors Trust (the "Trust"), a Delaware statutory trust, is an open-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act"). As of October 31, 2015, the Trust had 34 registered funds. This semi-annual report describes the Seafarer Overseas Growth and Income Fund (the "Fund"). The Fund seeks to provide long-term capital appreciation along with some current income; it also seeks to mitigate adverse volatility in returns as a secondary objective. The Fund offers Investor Class and Institutional Class shares.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The market price for debt obligations is generally the price supplied by an independent third-party pricing service approved by the Board which may use a matrix, formula or other objective method that takes into consideration quotations from dealers, market transactions in comparable investments, market indices and yield curves. If vendors are unable to supply a price, or if the price supplied is deemed to be unreliable, the market price may be determined using quotations received from one or more broker–dealers that make a market in the security. Short–term debt obligations that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment's fair value.

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

When such prices or quotations are not available, or when 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 the Fund based on unrealized appreciation, if any, on affected securities. The tax is paid when the gain is realized.

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

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

Level 1 – Unadjusted quoted prices in active markets for identical investments, unrestricted assets or liabilities that a Fund has the ability to access at the measurement date;

Level 2 – Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and

Level 3 – Significant unobservable prices or inputs (including the Fund's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The following is a summary of each input used to value the Fund as of October 31, 2015:

Investments in Securities at Value[(a)]	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stocks				
Brazil	$ 57,236,517	$ –	$ –	$ 57,236,517
China / Hong Kong	9,791,020	101,832,968	–	111,623,988
India	28,511,200	26,862,363	–	55,373,563
Indonesia	–	24,932,961	–	24,932,961
Japan	–	16,744,284	–	16,744,284
Malaysia	5,518,040	–	–	5,518,040
Mexico	44,933,072	–	–	44,933,072
Poland	–	56,418,385	–	56,418,385
Singapore	–	43,143,120	–	43,143,120
South Africa	–	27,311,896	–	27,311,896
South Korea	10,683,742	16,307,199	–	26,990,941
Taiwan	4,392,000	15,590,575	–	19,982,575
Turkey	–	29,158,375	–	29,158,375
Vietnam	3,844,023	6,799,504	–	10,643,527
Preferred Stocks				
Brazil	40,565,290	–	–	40,565,290
South Korea	–	33,945,586	–	33,945,586
Foreign Currency Convertible Bonds	–	12,886,099	–	12,886,099
Foreign Currency Corporate Bonds	–	8,257,031	–	8,257,031
Foreign Currency Government Bonds	–	15,246,607	–	15,246,607
USD Convertible Bonds	–	2,559,375	–	2,559,375
Total	$ 205,474,904	$ 437,996,328	$ –	$ 643,471,232

[(a)] *For detailed descriptions of countries, see the accompanying Portfolio of Investments.*

The Fund recognizes transfers between levels as of the end of the period. For the six months ended October 31, 2015, the Fund did not have any securities that used significant unobservable inputs (Level 3) in determining fair value.

Security amounts the Fund transferred between Levels 1 and 2 at October 31, 2015 were as follows:

Seafarer Overseas Growth and Income Fund	**Level 1 Transfers In**	**Level 1 Transfers (Out)**	**Level 2 Transfers In**	**Level 2 Transfers (Out)**
Common Stocks	$ 5,518,040	$ (18,441,078)	$ 18,441,078	$ (5,518,040)
Total	$ 5,518,040	$ (18,441,078)	$ 18,441,078	$ (5,518,040)

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

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

Concentration of Credit Risk: The Fund places its cash with one banking institution, which is insured by Federal Deposit Insurance Corporation (FDIC). The FDIC limit is $250,000. At various times throughout the year, the amount on deposit may exceed the FDIC limit and subject the Fund to a credit risk. The Fund does not believe that such deposits are subject to any unusual risk associated with investment activities.

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, including shareholder servicing fees, are charged directly to the Fund or share class. All expenses of the Fund, other than class specific expenses, are allocated daily to each class in proportion to its average daily net assets.

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

As of and during the six months ended October 31, 2015, the Fund did not have a liability for any unrecognized tax benefits. The Fund files U.S. federal, state, and local tax returns as required. The Fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return for federal purposes and four years for most state returns. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

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

3. TAX BASIS INFORMATION

Tax Basis of Investments: As of October 31, 2015, 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	$ 681,617,820	$ 29,853,331	$ (67,999,919)	$ (38,146,588)

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

The tax character of distributions paid by the Fund for the fiscal year ended April 30, 2015, were as follows:

	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, 2015.

4. SECURITIES TRANSACTIONS

The cost of purchases and proceeds from sales of securities excluding short term securities during the six months ended October 31, 2015, were as follows:

	Purchases of Securities	Proceeds From Sales of Securities
Seafarer Overseas Growth and Income Fund	$ 519,300,972	$ 1,106,421

5. SHARES OF BENEFICIAL INTEREST

The capitalization of the Trust consists of an unlimited number of shares of beneficial interest with no par value per share. Holders of the shares of the Fund of the Trust have one vote for each share held and a proportionate fraction of a vote for each fractional share. All shares issued and outstanding are fully paid and are 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.

Shares redeemed within 90 days of purchase may incur a 2% short-term redemption fee deducted from the redemption amount. The redemption fee is reflected in the "Shares redeemed, net of redemption fees" in the Statements of Changes in Net Assets. During the six months ended October 31, 2015, and the year ended April 30, 2015, the Fund retained the following redemption fees:

Fund	For the Six Months Ended October 31, 2015 (Unaudited)	For the Year ended April 30, 2015
Seafarer Overseas Growth and Income Fund		
Investor Class	$ 78,580	$ 10,091
Institutional Class	$ 62,721	$ 6,959

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 Fund's business affairs. The Adviser manages the investments of the Fund in accordance with the Fund's investment objective, policies, limitations and investment guidelines established jointly by the Adviser and the Trustees. Pursuant to the advisory agreement with the Trust, the Adviser is entitled to investment advisory fees, computed daily and payable monthly at an annual rate of 0.75% of the average daily net assets of the Fund.

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 Fund's average daily net assets in the Investor and Institutional share classes, respectively, through August 31, 2015. Effective September 1, 2015, the Adviser contractually agreed to limit such Fund expenses to 1.15% and 1.05% of the Fund's average daily net assets in the Investor and Institutional share classes, respectively, through August 31, 2017, at which point this agreement may be extended further. The Fund may have to repay some of these waivers and reimbursements to the Adviser in the following three years. Pursuant to the expense limitation agreement between the Adviser and the Trust, the Fund will reimburse the Adviser for any contractual fee waivers and expense reimbursements made by the Adviser, provided that any such reimbursements made by the Fund to the Adviser will not cause the Fund's expense limitation to exceed expense limitations in existence at the time the expense was incurred, or at the time of the reimbursement, whichever is lower, and the reimbursement is made within three years after the end of the fiscal year in which fees or expenses were incurred. As of the date of this report, the Adviser has recouped waived revenues but has declined to seek reimbursement for subsidized expenses.

As of October 31, 2015, the balances of recoupable expenses for each class were as follows:

Fund	Expires 2016	Expires 2017	Expires 2018	Total
Seafarer Overseas Growth and Income Fund				
Investor Class	$ 111,471	$ 89,143	$ –	$ 200,614
Institutional Class	42,281	66,379	67,938	176,598

Fund Administrator Fees and Expenses

ALPS Fund Services, Inc. ("ALPS" and the "Administrator") (an affiliate of ALPS Distributors, Inc.) provides administrative, fund accounting and other services to the Fund under the Administration, Bookkeeping and Pricing Services Agreement with the Trust. Under this Agreement, ALPS is paid fees by the Fund, accrued on a daily basis and paid on a monthly basis following the end of the month, based on the greater of (a) an annual total fee of $151,120 (subject to an annual cost of living increase), or (b) the following fee schedule:

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

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

Transfer Agent

ALPS serves as transfer, dividend paying and shareholder servicing agent for the Fund ("Transfer Agent"). ALPS is compensated based upon a $26,420 annual base fee for the Fund, and annually $9 per direct open account and $7 per open account through NSCC. The Transfer Agent is also reimbursed by the Fund for certain out-of-pocket expenses.

Compliance Services

ALPS provides services that assist the Trust's chief compliance officer in monitoring and testing the policies and procedures of the Trust in conjunction with requirements under Rule 38a-1 under the 1940 Act under the Chief Compliance Officer Services Agreement with the Trust. Under this Agreement, the Adviser pays ALPS an annual base fee of $31,704 and reimburses ALPS for certain out-of-pocket expenses.

Principal Financial Officer

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

Distributor

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

Shareholder Service Plan for Investor Class and Institutional Class Shares

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

7. INDEMNIFICATIONS

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

8. RECENT ACCOUNTING PRONOUNCEMENT

In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2015-07, "Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent)." This is an update to Accounting Standards Codification Topic 820, Fair Value Measurement. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair value is measured at net asset value per share (or its equivalent) using the practical expedient. ASU 2015-17 is effective for annual reporting periods beginning on or after December 15, 2015, and interim periods within those annual periods, with retrospective application for all periods presented. The Fund is currently evaluating the impact ASU 2015-07 will have on the Fund's financial statements and disclosures.

1. FUND HOLDINGS

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

2. FUND PROXY VOTING POLICIES, PROCEDURES AND SUMMARIES

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

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