

# The Advisors' Inner Circle Fund III



**FIERACAPITAL**

## Fiera Capital Diversified Alternatives Fund

SEMI-ANNUAL REPORT

APRIL 30, 2017

Investment Adviser:  
**Fiera Capital Inc.**

---

**TABLE OF CONTENTS**

---

|   |    |
|---|----|
| Schedule of Investments .....                   | 1  |
| Statement of Assets and Liabilities .....       | 33 |
| Statement of Operations .....                   | 34 |
| Statements of Changes in Net Assets .....       | 35 |
| Financial Highlights .....                      | 36 |
| Notes to Financial Statements .....             | 38 |
| Disclosure of Fund Expenses .....               | 56 |
| Approval of Investment Advisory Agreement ..... | 58 |

The Fund files its complete schedule of investments with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q within sixty days after period end. The Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov>, and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to Fund securities, as well as information relating to how a Fund voted proxies relating to fund securities during the most recent 12-month period ended June 30, is available (i) without charge, upon request, by calling 1-844-755-3863; and (ii) on the SEC's website at <http://www.sec.gov>.

**THE ADVISORS' INNER CIRCLE FUND III**
**FIERA CAPITAL DIVERSIFIED  
ALTERNATIVES FUND  
APRIL 30, 2017 (Unaudited)**
**Sector Weightings†**

|   | <u>Long</u> | <u>Short</u> | <u>Net</u>    |
|---|-------------|--------------|---------------|
| Short-Term Investments . . . . .            | 45.5%       | 0.0%         | 45.5%         |
| Consumer Discretionary . . . . .            | 7.4         | (4.9)        | 2.5           |
| Industrials . . . . .                       | 6.6         | (4.7)        | 1.9           |
| Telecommunication Services . . . . .        | 1.7         | (0.1)        | 1.6           |
| Utilities . . . . .                         | 2.1         | (0.5)        | 1.6           |
| Consumer Staples . . . . .                  | 3.5         | (2.0)        | 1.5           |
| Information Technology . . . . .            | 8.5         | (7.5)        | 1.0           |
| Materials . . . . .                         | 3.7         | (2.9)        | 0.8           |
| Financials . . . . .                        | 5.0         | (4.6)        | 0.4           |
| Purchased Options . . . . .                 | 0.2         | 0.0          | 0.2           |
| Health Care . . . . .                       | 5.3         | (5.2)        | 0.1           |
| Written Options . . . . .                   | 0.0         | (0.3)        | (0.3)         |
| Foreign Preferred Stock . . . . .           | 0.0         | (0.4)        | (0.4)         |
| Real Estate . . . . .                       | 0.8         | (1.2)        | (0.4)         |
| Registered Investment Company . . . . .     | 0.0         | (0.7)        | (0.7)         |
| Energy . . . . .                            | 2.2         | (3.7)        | (1.5)         |
| Total . . . . .                             |             |              | <u>53.8</u>   |
| Other Assets and Liabilities, Net . . . . . |             |              | <u>46.2</u>   |
|   |             |              | <u>100.0%</u> |

† As a percentage of the Fund's Net Assets.

**SCHEDULE OF INVESTMENTS**
**COMMON STOCK — 33.9%**
**UNITED STATES — 33.9%**
**Consumer Discretionary — 5.1%**

|                                     | <u>Shares</u> | <u>Value</u> |
|-------------------------------------|---------------|--------------|
| American Eagle Outfitters . . . . . | 5,467         | \$ 77,030    |
| Brinker International . . . . .     | 1,100         | 48,609       |
| Brunswick (A) . . . . .             | 900           | 51,075       |
| Burlington Stores * . . . . .       | 912           | 90,215       |
| Carnival . . . . .                  | 1,322         | 81,660       |
| Children's Place (A) . . . . .      | 1,300         | 149,240      |
| Comcast, CI A . . . . .             | 1,988         | 77,910       |

The accompanying notes are an integral part of the financial statements.

## COMMON STOCK — continued

|  | Shares | Value            |
|--|--------|------------------|
| <b>Consumer Discretionary (continued)</b>          |        |                  |
| Darden Restaurants . . . . .                       | 1,297  | \$ 110,491       |
| Dave & Buster's Entertainment * . . . . .          | 800    | 51,208           |
| Delphi Automotive PLC . . . . .                    | 210    | 16,884           |
| Domino's Pizza . . . . .                           | 703    | 127,517          |
| Foot Locker . . . . .                              | 1,398  | 108,121          |
| H&R Block . . . . .                                | 5,088  | 126,131          |
| Home Depot . . . . .                               | 482    | 75,240           |
| Interpublic Group of Companies . . . . .           | 3,073  | 72,431           |
| Jack in the Box (A) . . . . .                      | 1,600  | 163,152          |
| JC Penney * . . . . .                              | 9,000  | 48,420           |
| Kohl's . . . . .                                   | 1,814  | 70,800           |
| Lear . . . . .                                     | 516    | 73,613           |
| Liberty Interactive QVC Group, Cl A *(A) . . . . . | 4,800  | 101,664          |
| Live Nation Entertainment * . . . . .              | 2,618  | 84,195           |
| Mattel . . . . .                                   | 2,800  | 62,776           |
| MGM Resorts International (A) . . . . .            | 5,000  | 153,550          |
| Netflix * . . . . .                                | 300    | 45,660           |
| Nordstrom . . . . .                                | 1,889  | 91,182           |
| Omnicom Group . . . . .                            | 143    | 11,743           |
| Papa John's International (A) . . . . .            | 1,100  | 86,966           |
| PulteGroup . . . . .                               | 2,500  | 56,675           |
| Sirius XM Holdings . . . . .                       | 14,429 | 71,424           |
| Skechers U.S.A., Cl A * . . . . .                  | 2,100  | 53,025           |
| Thor Industries (A) . . . . .                      | 600    | 57,708           |
| TJX . . . . .                                      | 354    | 27,839           |
| Tractor Supply . . . . .                           | 1,400  | 86,674           |
| Ulta Beauty * . . . . .                            | 200    | 56,288           |
| Urban Outfitters * . . . . .                       | 2,568  | 58,756           |
| Walt Disney . . . . .                              | 820    | 94,792           |
| Williams-Sonoma . . . . .                          | 1,976  | 106,803          |
|  |        | <u>2,927,467</u> |

The accompanying notes are an integral part of the financial statements.

**COMMON STOCK — continued**

|  | Shares | Value            |
|--|--------|------------------|
| <b>Consumer Staples — 2.2%</b>           |        |                  |
| Altria Group . . . . .                   | 1,619  | \$ 116,212       |
| Bunge . . . . .                          | 700    | 55,321           |
| Colgate-Palmolive . . . . .              | 1,013  | 72,976           |
| Conagra Brands . . . . .                 | 419    | 16,249           |
| Edgewell Personal Care * . . . . .       | 900    | 64,341           |
| Ingredion (A) . . . . .                  | 1,100  | 136,202          |
| Molson Coors Brewing, Cl B (A) . . . . . | 1,000  | 95,890           |
| Monster Beverage * . . . . .             | 1,200  | 54,456           |
| Nu Skin Enterprises, Cl A . . . . .      | 1,500  | 82,845           |
| Philip Morris International . . . . .    | 461    | 51,097           |
| Pilgrim's Pride . . . . .                | 4,906  | 127,360          |
| Post Holdings * . . . . .                | 500    | 42,095           |
| Procter & Gamble . . . . .               | 1,196  | 104,447          |
| Spectrum Brands Holdings . . . . .       | 543    | 78,045           |
| Tyson Foods, Cl A . . . . .              | 900    | 57,834           |
| United Natural Foods * . . . . .         | 2,600  | 107,978          |
|  |        | <u>1,263,348</u> |
| <b>Energy — 1.4%</b>                     |        |                  |
| Carrizo Oil & Gas * . . . . .            | 1,700  | 42,755           |
| Chevron . . . . .                        | 833    | 88,881           |
| ExxonMobil . . . . .                     | 1,167  | 95,286           |
| Gulfport Energy * . . . . .              | 6,100  | 96,868           |
| Halliburton (A) . . . . .                | 2,200  | 100,936          |
| Oasis Petroleum *(A) . . . . .           | 6,200  | 74,028           |
| Targa Resources (A) . . . . .            | 1,200  | 66,156           |
| Tesoro (A) . . . . .                     | 1,200  | 95,652           |
| US Silica Holdings . . . . .             | 800    | 33,200           |
| Valero Energy . . . . .                  | 1,454  | 93,943           |
| WPX Energy *(A) . . . . .                | 3,900  | 46,527           |
|  |        | <u>834,232</u>   |

The accompanying notes are an integral part of the financial statements.

## COMMON STOCK — continued

|   | Shares | Value     |
|---|--------|-----------|
| <b>Financials — 3.9%</b>                        |        |           |
| American International Group (A) . . . . .      | 1,300  | \$ 79,183 |
| Ameriprise Financial . . . . .                  | 739    | 94,481    |
| Assured Guaranty (A) . . . . .                  | 2,300  | 87,699    |
| Bank of America . . . . .                       | 1,800  | 42,012    |
| Bofl Holding * . . . . .                        | 2,000  | 47,780    |
| Capital One Financial . . . . .                 | 600    | 48,228    |
| Discover Financial Services . . . . .           | 700    | 43,813    |
| Evercore Partners, CI A . . . . .               | 961    | 70,874    |
| FNB . . . . .                                   | 3,700  | 52,688    |
| Goldman Sachs Group (A) . . . . .               | 300    | 67,140    |
| Hartford Financial Services Group (A) . . . . . | 2,500  | 120,900   |
| Lazard, CI A . . . . .                          | 2,276  | 97,731    |
| Leucadia National (A) . . . . .                 | 2,100  | 53,319    |
| Lincoln National . . . . .                      | 1,900  | 125,267   |
| Loews . . . . .                                 | 2,300  | 107,226   |
| LPL Financial Holdings . . . . .                | 1,100  | 46,244    |
| MetLife (A) . . . . .                           | 2,100  | 108,801   |
| MGIC Investment * . . . . .                     | 4,800  | 50,592    |
| Mid-America Apartment Communities ‡ . . . . .   | 500    | 49,605    |
| Morgan Stanley (A) . . . . .                    | 1,300  | 56,381    |
| New Residential Investment (A)‡ . . . . .       | 3,400  | 56,678    |
| Northern Trust . . . . .                        | 831    | 74,790    |
| Prudential Financial . . . . .                  | 500    | 53,515    |
| Regions Financial . . . . .                     | 3,100  | 42,625    |
| RLJ Lodging Trust ‡ . . . . .                   | 2,800  | 60,172    |
| S&P Global . . . . .                            | 555    | 74,475    |
| Signature Bank NY * . . . . .                   | 300    | 41,535    |
| SL Green Realty (A)‡ . . . . .                  | 1,100  | 115,423   |
| State Street . . . . .                          | 1,244  | 104,372   |
| Voya Financial . . . . .                        | 1,400  | 52,332    |

*The accompanying notes are an integral part of the financial statements.*

**COMMON STOCK — continued**

|  | <u>Shares</u> | <u>Value</u>     |
|--|---------------|------------------|
| <b>Financials (continued)</b>          |               |                  |
| WisdomTree Investments .....           | 6,200         | \$ 51,770        |
| Zions Bancorporation .....             | 1,100         | 44,033           |
|  |               | <u>2,221,684</u> |
| <b>Health Care — 3.7%</b>              |               |                  |
| Alkermes PLC *(A) .....                | 1,300         | 75,725           |
| AmerisourceBergen, CI A .....          | 1,629         | 133,659          |
| Becton Dickinson .....                 | 300           | 56,091           |
| Biogen * .....                         | 344           | 93,296           |
| Bio-Rad Laboratories, CI A * .....     | 400           | 87,304           |
| Bioerativ * .....                      | 1,311         | 77,100           |
| Danaher .....                          | 1,300         | 108,329          |
| Exelixis * .....                       | 3,613         | 80,931           |
| IDEXX Laboratories * .....             | 689           | 115,566          |
| Mallinckrodt PLC * .....               | 1,504         | 70,568           |
| Masimo * .....                         | 802           | 82,398           |
| Medicines * .....                      | 900           | 44,388           |
| Merck .....                            | 800           | 49,864           |
| Mettler-Toledo International * .....   | 237           | 121,681          |
| NuVasive *(A) .....                    | 1,500         | 108,765          |
| Seattle Genetics * .....               | 700           | 47,810           |
| Taro Pharmaceutical Industries * ..... | 817           | 95,466           |
| TG Therapeutics * .....                | 4,400         | 48,620           |
| Thermo Fisher Scientific (A) .....     | 600           | 99,198           |
| United Therapeutics * .....            | 786           | 98,800           |
| UnitedHealth Group (A) .....           | 600           | 104,928          |
| Universal Health Services, CI B .....  | 119           | 14,370           |
| Vertex Pharmaceuticals * .....         | 633           | 74,884           |
| VWR * .....                            | 3,781         | 106,851          |
| WellCare Health Plans *(A) .....       | 600           | 92,046           |
| Wright Medical Group * .....           | 1,800         | 54,702           |
|  |               | <u>2,143,340</u> |

*The accompanying notes are an integral part of the financial statements.*

## COMMON STOCK — continued

|  | Shares | Value     |
|--|--------|-----------|
| <b>Industrials — 5.2%</b>                    |        |           |
| 3M .....                                     | 391    | \$ 76,569 |
| Alaska Air Group .....                       | 1,300  | 110,617   |
| Allison Transmission Holdings .....          | 2,200  | 85,096    |
| Avis Budget Group *(A) .....                 | 2,700  | 82,350    |
| Axon Enterprise * .....                      | 2,300  | 56,534    |
| Boeing .....                                 | 412    | 76,150    |
| Cintas (A) .....                             | 900    | 110,223   |
| Curtiss-Wright .....                         | 1,003  | 93,740    |
| Delta Air Lines (A) .....                    | 1,400  | 63,616    |
| Dover .....                                  | 1,300  | 102,544   |
| FedEx .....                                  | 500    | 94,850    |
| General Dynamics .....                       | 391    | 75,772    |
| General Electric (A) .....                   | 2,800  | 81,172    |
| Hawaiian Holdings * .....                    | 1,633  | 88,672    |
| Huntington Ingalls Industries .....          | 200    | 40,178    |
| Jacobs Engineering Group .....               | 1,368  | 75,130    |
| JetBlue Airways * .....                      | 5,195  | 113,407   |
| Johnson Controls International PLC (A) ..... | 4,300  | 178,751   |
| Macquarie Infrastructure (A) .....           | 2,600  | 211,562   |
| Nordson .....                                | 400    | 50,080    |
| Northrop Grumman .....                       | 305    | 75,018    |
| Oshkosh (A) .....                            | 600    | 41,634    |
| Quanta Services * .....                      | 1,900  | 67,336    |
| Republic Services, Cl A .....                | 1,193  | 75,147    |
| Robert Half International .....              | 2,238  | 103,060   |
| Rollins .....                                | 2,063  | 80,106    |
| Roper Technologies (A) .....                 | 300    | 65,610    |
| Snap-on (A) .....                            | 200    | 33,506    |
| Spirit AeroSystems Holdings, Cl A .....      | 1,817  | 103,860   |
| Teledyne Technologies * .....                | 579    | 78,067    |

*The accompanying notes are an integral part of the financial statements.*



**COMMON STOCK — continued**

|  | <u>Shares</u> | <u>Value</u>     |
|--|---------------|------------------|
| <b>Industrials (continued)</b>                   |               |                  |
| Textron .....                                    | 900           | \$ 41,994        |
| United Continental Holdings *                    | 1,660         | 116,549          |
| United Rentals *                                 | 664           | 72,814           |
| United Technologies .....                        | 664           | 79,009           |
| Waste Management .....                           | 1,028         | 74,818           |
| XPO Logistics *(A) .....                         | 800           | 39,512           |
|  |               | <u>3,015,053</u> |
| <b>Information Technology — 6.7%</b>             |               |                  |
| Activision Blizzard .....                        | 900           | 47,025           |
| Akamai Technologies *(A) .....                   | 1,158         | 70,569           |
| Analog Devices (A) .....                         | 2,200         | 167,640          |
| Aspen Technology *                               | 1,264         | 77,723           |
| Citrix Systems * .....                           | 940           | 76,084           |
| Cypress Semiconductor .....                      | 3,200         | 44,832           |
| F5 Networks * .....                              | 1,008         | 130,163          |
| Fidelity National Information Services (A) ..... | 400           | 33,676           |
| IAC * .....                                      | 600           | 49,806           |
| Integrated Device Technology * .....             | 4,700         | 112,753          |
| InterDigital .....                               | 951           | 85,495           |
| Intuit .....                                     | 636           | 79,634           |
| Jack Henry & Associates .....                    | 547           | 53,015           |
| KLA-Tencor .....                                 | 810           | 79,558           |
| Lam Research (A) .....                           | 200           | 28,970           |
| Leidos Holdings .....                            | 900           | 47,394           |
| LogMeln .....                                    | 200           | 22,600           |
| Manhattan Associates * .....                     | 1,859         | 86,797           |
| MasterCard, CI A .....                           | 625           | 72,700           |
| Maxim Integrated Products .....                  | 1,658         | 73,201           |
| Microchip Technology (A) .....                   | 700           | 52,906           |
| Micron Technology *(A) .....                     | 2,300         | 63,641           |

*The accompanying notes are an integral part of the financial statements.*

**COMMON STOCK — continued**

|  | Shares | Value     |
|--|--------|-----------|
| <b>Information Technology (continued)</b>    |        |           |
| Microsemi *(A) .....                         | 2,000  | \$ 93,880 |
| NCR * .....                                  | 1,200  | 49,500    |
| NetApp (A) .....                             | 3,900  | 155,415   |
| ON Semiconductor *(A) .....                  | 6,200  | 87,916    |
| Proofpoint *(A) .....                        | 2,000  | 150,740   |
| Red Hat * .....                              | 911    | 80,241    |
| salesforce.com * .....                       | 600    | 51,672    |
| Science Applications International (A) ..... | 2,600  | 189,774   |
| Seagate Technology PLC .....                 | 3,703  | 156,007   |
| ServiceNow * .....                           | 600    | 56,688    |
| Skyworks Solutions .....                     | 649    | 64,731    |
| Splunk *(A) .....                            | 1,500  | 96,465    |
| Take-Two Interactive Software * .....        | 800    | 50,280    |
| Tech Data * .....                            | 600    | 57,390    |
| Teradata * .....                             | 3,495  | 101,984   |
| Teradyne .....                               | 3,761  | 132,650   |
| Texas Instruments .....                      | 939    | 74,350    |
| Total System Services .....                  | 1,200  | 68,772    |
| VeriSign * .....                             | 1,229  | 109,283   |
| VMware, CI A * .....                         | 1,700  | 160,004   |
| Western Digital (A) .....                    | 700    | 62,349    |
| Xerox .....                                  | 10,526 | 75,682    |
| Yelp, CI A *(A) .....                        | 4,900  | 173,509   |
|  |        | 3,855,464 |
| <b>Materials — 3.4%</b>                      |        |           |
| Albemarle .....                              | 1,133  | 123,395   |
| Avery Dennison .....                         | 930    | 77,385    |
| Ball (A) .....                               | 1,400  | 107,646   |
| Berry Global Group *(A) .....                | 3,200  | 160,000   |
| Cabot .....                                  | 1,877  | 112,977   |

*The accompanying notes are an integral part of the financial statements.*

**COMMON STOCK — continued**

|   | <u>Shares</u> | <u>Value</u>     |
|---|---------------|------------------|
| <b>Materials (continued)</b>                  |               |                  |
| Chemours . . . . .                            | 3,102         | \$ 124,980       |
| Cliffs Natural Resources * . . . . .          | 6,600         | 44,352           |
| Compass Minerals International (A) . . . . .  | 300           | 19,800           |
| Eagle Materials . . . . .                     | 193           | 18,522           |
| Huntsman . . . . .                            | 3,238         | 80,205           |
| Louisiana-Pacific * . . . . .                 | 3,125         | 80,437           |
| LyondellBasell Industries, CI A (A) . . . . . | 2,315         | 196,219          |
| Olin . . . . .                                | 1,400         | 44,982           |
| Sealed Air (A) . . . . .                      | 2,100         | 92,442           |
| Silgan Holdings . . . . .                     | 1,265         | 76,684           |
| Steel Dynamics . . . . .                      | 2,961         | 107,011          |
| Trinseo . . . . .                             | 700           | 46,480           |
| United States Steel . . . . .                 | 2,800         | 62,496           |
| Valvoline . . . . .                           | 4,721         | 105,042          |
| Worthington Industries . . . . .              | 1,967         | 85,565           |
| WR Grace (A) . . . . .                        | 2,800         | 195,216          |
|   |               | <u>1,961,836</u> |
| <b>Real Estate — 0.8%</b>                     |               |                  |
| American Homes 4 Rent, CI A ‡ . . . . .       | 2,100         | 48,405           |
| CBRE Group, CI A * . . . . .                  | 1,700         | 60,877           |
| Colony Starwood Homes ‡ . . . . .             | 1,900         | 65,683           |
| GEO Group ‡ . . . . .                         | 1,400         | 46,648           |
| Hudson Pacific Properties (A)‡ . . . . .      | 1,900         | 65,284           |
| Physicians Realty Trust (A)‡ . . . . .        | 4,700         | 92,308           |
| Weyerhaeuser ‡ . . . . .                      | 3,100         | 104,997          |
|   |               | <u>484,202</u>   |
| <b>Telecommunication Services — 0.3%</b>      |               |                  |
| AT&T (A) . . . . .                            | 800           | 31,704           |
| T-Mobile US *(A) . . . . .                    | 900           | 60,543           |

The accompanying notes are an integral part of the financial statements.

**COMMON STOCK — continued**

|   | Shares | Value             |
|---|--------|-------------------|
| <b>Telecommunication Services (continued)</b>   |        |                   |
| Verizon Communications .....                    | 2,215  | \$ 101,691        |
|   |        | <u>193,938</u>    |
| <b>Utilities — 1.2%</b>                         |        |                   |
| CenterPoint Energy .....                        | 2,715  | 77,459            |
| Exelon (A) .....                                | 2,700  | 93,501            |
| FirstEnergy .....                               | 6,400  | 191,616           |
| OGE Energy (A) .....                            | 4,000  | 139,120           |
| SCANA (A) .....                                 | 2,300  | 152,513           |
| Vectren .....                                   | 297    | 17,648            |
|   |        | <u>671,857</u>    |
| TOTAL COMMON STOCK<br>(Cost \$19,202,048) ..... |        | <u>19,572,421</u> |
| <b>FOREIGN COMMON STOCK — 12.9%</b>             |        |                   |
| <b>AUSTRALIA — 0.2%</b>                         |        |                   |
| Qantas Airways .....                            | 42,019 | 133,407           |
| <b>AUSTRIA — 0.2%</b>                           |        |                   |
| Erste Group Bank .....                          | 2,355  | 84,193            |
| <b>BERMUDA — 0.1%</b>                           |        |                   |
| Marvell Technology Group .....                  | 2,800  | 42,056            |
| <b>BRAZIL — 0.4%</b>                            |        |                   |
| Banco Bradesco ADR (A) .....                    | 4,400  | 46,420            |
| Itau Unibanco Holding ADR (A) .....             | 4,900  | 60,270            |
| Petroleo Brasileiro ADR, CI A *                 | 4,500  | 39,285            |
| Vale ADR, CI B .....                            | 5,200  | 44,616            |
|   |        | <u>190,591</u>    |
| <b>CANADA — 1.8%</b>                            |        |                   |
| Atco, CI I .....                                | 2,100  | 76,413            |
| BCE .....                                       | 1,721  | 78,426            |

*The accompanying notes are an integral part of the financial statements.*

**FOREIGN COMMON STOCK — continued**

|  | Shares | Value            |
|--|--------|------------------|
| <b>CANADA (continued)</b>                                |        |                  |
| Canadian Utilities, Cl A .....                           | 2,700  | \$ 77,832        |
| CGI Group, Cl A * .....                                  | 2,100  | 101,350          |
| Constellation Software .....                             | 200    | 91,474           |
| Dollarama .....  | 900    | 78,788           |
| Encana (A) .....   | 4,000  | 42,800           |
| Husky Energy * .....                                     | 8,000  | 92,363           |
| Imperial Oil .....                                       | 1,500  | 43,636           |
| Restaurant Brands International (A) .....                | 1,400  | 78,638           |
| Rogers Communications, Cl B .....                        | 1,700  | 77,948           |
| Royal Bank of Canada .....                               | 900    | 61,626           |
| Saputo .....   | 3,000  | 98,634           |
| Shaw Communications, Cl B .....                          | 3,600  | 76,323           |
|  |        | <u>1,076,251</u> |
| <b>CHINA — 0.3%</b>                                      |        |                  |
| New Oriental Education & Technology Group ADR *(A) ..... | 1,300  | 83,902           |
| SINA *(A) .....  | 700    | 53,767           |
|  |        | <u>137,669</u>   |
| <b>DENMARK — 0.9%</b>                                    |        |                  |
| Coloplast, Cl B .....                                    | 1,485  | 127,116          |
| ISS .....  | 2,803  | 116,254          |
| Novo Nordisk, Cl B .....                                 | 2,703  | 105,179          |
| Pandora .....  | 641    | 69,280           |
| Vestas Wind Systems .....                                | 1,421  | 122,366          |
|  |        | <u>540,195</u>   |
| <b>FINLAND — 0.4%</b>                                    |        |                  |
| Neste .....  | 2,531  | 103,361          |
| Orion, Cl B .....  | 2,229  | 127,837          |
|  |        | <u>231,198</u>   |

*The accompanying notes are an integral part of the financial statements.*

**FOREIGN COMMON STOCK — continued**

|   | Shares | Value          |
|---|--------|----------------|
| <b>GERMANY — 0.7%</b>                     |        |                |
| Deutsche Telekom .....                    | 6,390  | \$ 112,066     |
| E.ON .....                                | 12,202 | 95,128         |
| HUGO BOSS .....                           | 1,555  | 118,282        |
| ProSiebenSat.1 Media .....                | 1,795  | 76,237         |
| SAP .....                                 | 53     | 5,315          |
|   |        | <u>407,028</u> |
| <b>HONG KONG — 1.0%</b>                   |        |                |
| CK Hutchinson Holdings .....              | 6,000  | 74,939         |
| CLP Holdings .....                        | 7,500  | 79,114         |
| Hang Seng Bank .....                      | 3,600  | 72,987         |
| Hong Kong & China Gas .....               | 39,000 | 77,916         |
| Melco Resorts & Entertainment ADR .....   | 7,818  | 171,605        |
| MTR .....                                 | 14,000 | 80,634         |
| Power Assets Holdings .....               | 8,500  | 76,494         |
| VTech Holdings .....                      | 4,700  | 59,548         |
|   |        | <u>693,237</u> |
| <b>IRELAND — 0.1%</b>                     |        |                |
| AerCap Holdings * .....                   | 1,000  | 46,010         |
| <b>ISRAEL — 0.2%</b>                      |        |                |
| Check Point Software Technologies * ..... | 1,144  | 118,987        |
| <b>ITALY — 0.5%</b>                       |        |                |
| Banca Mediolanum .....                    | 4,398  | 33,655         |
| Ferrari .....                             | 1,000  | 75,200         |
| Mediaset .....                            | 17,904 | 73,214         |
| Recordati .....                           | 3,394  | 125,738        |
|   |        | <u>307,807</u> |
| <b>JAPAN — 3.6%</b>                       |        |                |
| Astellas Pharma .....                     | 7,400  | 97,450         |
| Bandai Namco Holdings .....               | 600    | 18,811         |

*The accompanying notes are an integral part of the financial statements.*

**FOREIGN COMMON STOCK — continued**

|                                    | <u>Shares</u> | <u>Value</u>     |
|------------------------------------|---------------|------------------|
| <b>JAPAN (continued)</b>           |               |                  |
| Chubu Electric Power .....         | 5,800         | \$ 77,914        |
| East Japan Railway .....           | 900           | 80,364           |
| Hoya .....                         | 2,400         | 114,623          |
| Ito En .....                       | 500           | 18,121           |
| Itochu Techno-Solutions .....      | 2,300         | 66,952           |
| Japan Airlines .....               | 3,300         | 104,203          |
| Kakaku.com .....                   | 6,100         | 87,936           |
| KDDI .....                         | 3,200         | 84,841           |
| Kirin Holdings .....               | 4,100         | 79,665           |
| Konami Holdings .....              | 200           | 8,316            |
| Lion .....                         | 5,000         | 90,244           |
| McDonald's Holdings Japan .....    | 1,200         | 36,977           |
| Mixi .....                         | 2,400         | 133,052          |
| Nippon Telegraph & Telephone ..... | 2,300         | 98,396           |
| Nitori Holdings .....              | 200           | 26,033           |
| NTT DOCOMO .....                   | 4,500         | 108,509          |
| Oracle Japan .....                 | 1,800         | 103,665          |
| Osaka Gas .....                    | 19,000        | 71,125           |
| Pola Orbis Holdings .....          | 3,300         | 76,021           |
| Seven & i Holdings .....           | 2,500         | 105,629          |
| Shimamura .....                    | 600           | 82,135           |
| Sumitomo Dainippon Pharma .....    | 5,900         | 96,750           |
| Suntory Beverage & Food .....      | 2,400         | 107,325          |
| Yamazaki Baking .....              | 1,300         | 27,394           |
|                                    |               | <u>2,002,451</u> |
| <b>LUXEMBOURG — 0.1%</b>           |               |                  |
| ArcelorMittal .....                | 6,300         | <u>49,140</u>    |
| <b>NEW ZEALAND — 0.2%</b>          |               |                  |
| Spark New Zealand .....            | 41,624        | <u>105,600</u>   |

*The accompanying notes are an integral part of the financial statements.*

**FOREIGN COMMON STOCK — continued**

|  | Shares | Value          |
|--|--------|----------------|
| <b>NORWAY — 0.2%</b>                   |        |                |
| Marine Harvest . . . . .               | 2,007  | \$ 33,380      |
| Telenor . . . . .                      | 4,597  | 74,314         |
|  |        | <u>107,694</u> |
| <b>PANAMA — 0.1%</b>                   |        |                |
| Copa Holdings, CI A . . . . .          | 500    | 58,210         |
| <b>PERU — 0.3%</b>                     |        |                |
| Credicorp . . . . .                    | 1,000  | 153,660        |
| <b>PORTUGAL — 0.1%</b>                 |        |                |
| Jeronimo Martins SGPS . . . . .        | 4,464  | 81,935         |
| <b>SPAIN — 0.5%</b>                    |        |                |
| Bankinter . . . . .                    | 6,657  | 58,614         |
| Industria de Diseno Textil . . . . .   | 3,021  | 115,868        |
| Mediaset Espana Comunicacion . . . . . | 9,379  | 129,290        |
|  |        | <u>303,772</u> |
| <b>SWEDEN — 0.2%</b>                   |        |                |
| Hennes & Mauritz, CI B . . . . .       | 3,626  | 89,818         |
| Swedish Match . . . . .                | 548    | 18,078         |
|  |        | <u>107,896</u> |
| <b>SWITZERLAND — 0.7%</b>              |        |                |
| dormakaba Holding . . . . .            | 63     | 53,977         |
| Galenica . . . . .                     | 89     | 96,692         |
| Julius Baer Group . . . . .            | 337    | 17,561         |
| Nestle . . . . .                       | 1,440  | 110,931        |
| Partners Group Holding . . . . .       | 6      | 3,627          |
| Sika . . . . .                         | 13     | 82,965         |
| Swisscom . . . . .                     | 170    | 74,151         |
|  |        | <u>439,904</u> |

*The accompanying notes are an integral part of the financial statements.*



| <b>FOREIGN COMMON STOCK — continued</b>                              |               |                      |
|--|---------------|----------------------|
|  | <u>Shares</u> | <u>Value</u>         |
| <b>UNITED KINGDOM — 0.1%</b>   |               |                      |
| Dialog Semiconductor PLC *   | 164           | \$ 7,673             |
| Fiat Chrysler Automobiles *  | 1,600         | 18,192               |
| RELX   | 1,677         | <u>32,434</u>        |
|  |               | <u>58,299</u>        |
| TOTAL FOREIGN COMMON STOCK<br>(Cost \$6,955,728)                     |               | <u>7,477,190</u>     |
| <b>FOREIGN PREFERRED STOCK — 0.0%</b>                                |               |                      |
| <b>GERMANY — 0.0%</b>  |               |                      |
| Schaeffler<br>(Cost \$9,349)   | 558           | <u>9,613</u>         |
| <b>SHORT-TERM INVESTMENTS (B) — 45.5%</b>                            |               |                      |
| BlackRock FedFund Money Market Fund, Institutional Cl, 0.652%        | 1,216,917     | 1,216,917            |
| BlackRock Liquidity Funds T-Fund Portfolio, Institutional Cl, 0.190% | 17,909,869    | 17,909,869           |
| SEI Daily Income Trust Government Fund, Cl F, 0.580%                 | 7,128,755     | <u>7,128,755</u>     |
| TOTAL SHORT-TERM INVESTMENTS<br>(Cost \$26,255,541)                  |               | <u>26,255,541</u>    |
| TOTAL INVESTMENTS — 92.3%<br>(Cost \$52,422,666)                     |               | <u>\$ 53,314,765</u> |
| <b>SECURITIES SOLD SHORT</b>   |               |                      |
| <b>COMMON STOCK — (26.4)%</b>  |               |                      |
| <b>UNITED STATES — (26.4)%</b>                                       |               |                      |
| <b>Consumer Discretionary — (3.3)%</b>                               |               |                      |
| AMC Networks, Cl A *   | (800)         | (47,744)             |
| Bed Bath & Beyond  | (1,100)       | (42,625)             |
| CarMax *   | (1,454)       | (85,059)             |
| Charter Communications, Cl A *                                       | (367)         | (126,674)            |
| Gap  | (7,400)       | (193,880)            |

*The accompanying notes are an integral part of the financial statements.*

**COMMON STOCK — continued**

|   | <u>Shares</u> | <u>Value</u>       |
|---|---------------|--------------------|
| <b>Consumer Discretionary (continued)</b> |               |                    |
| Genuine Parts . . . . .                   | (600)         | \$ (55,212)        |
| Hanesbrands . . . . .                     | (6,539)       | (142,616)          |
| Hasbro . . . . .                          | (500)         | (49,555)           |
| KB Home . . . . .                         | (2,700)       | (55,620)           |
| Liberty Broadband, Cl C * . . . . .       | (1,389)       | (126,621)          |
| Mattel . . . . .                          | (3,422)       | (76,721)           |
| Mohawk Industries * . . . . .             | (200)         | (46,958)           |
| Netflix * . . . . .                       | (731)         | (111,258)          |
| Nordstrom . . . . .                       | (500)         | (24,135)           |
| Sally Beauty Holdings * . . . . .         | (4,800)       | (91,296)           |
| Signet Jewelers . . . . .                 | (700)         | (46,088)           |
| Tempur Sealy International * . . . . .    | (1,100)       | (51,645)           |
| Tesla Motors * . . . . .                  | (360)         | (113,065)          |
| Tiffany . . . . .                         | (1,800)       | (164,970)          |
| Toll Brothers . . . . .                   | (236)         | (8,494)            |
| Tupperware Brands . . . . .               | (800)         | (57,448)           |
| VF . . . . .                              | (2,400)       | (131,112)          |
| Wynn Resorts . . . . .                    | (899)         | (110,586)          |
|   |               | <u>(1,959,382)</u> |
| <b>Consumer Staples — (1.6)%</b>          |               |                    |
| Coca-Cola . . . . .                       | (2,500)       | (107,875)          |
| Coty, Cl A . . . . .                      | (5,070)       | (90,499)           |
| CVS Health . . . . .                      | (600)         | (49,464)           |
| Dr Pepper Snapple Group . . . . .         | (600)         | (54,990)           |
| Estee Lauder, Cl A . . . . .              | (500)         | (43,570)           |
| Hershey . . . . .                         | (400)         | (43,280)           |
| Kroger . . . . .                          | (1,700)       | (50,405)           |
| McCormick . . . . .                       | (900)         | (89,910)           |
| Pinnacle Foods . . . . .                  | (900)         | (52,335)           |
| Walgreens Boots Alliance . . . . .        | (1,300)       | (112,502)          |

*The accompanying notes are an integral part of the financial statements.*

**COMMON STOCK — continued**

|                                       | <u>Shares</u> | <u>Value</u>       |
|---------------------------------------|---------------|--------------------|
| <b>Consumer Staples (continued)</b>   |               |                    |
| Wal-Mart Stores .....                 | (1,400)       | \$ (105,252)       |
|                                       |               | <u>(800,082)</u>   |
| <b>Energy — (3.1)%</b>                |               |                    |
| Apache .....                          | (3,500)       | (170,240)          |
| Callon Petroleum * .....              | (3,489)       | (41,310)           |
| Cheniere Energy * .....               | (2,621)       | (118,862)          |
| Chesapeake Energy * .....             | (8,200)       | (43,132)           |
| Core Laboratories .....               | (1,300)       | (144,066)          |
| Diamondback Energy * .....            | (728)         | (72,684)           |
| Energy Transfer Equity (C) .....      | (1,679)       | (31,330)           |
| ExxonMobil .....                      | (500)         | (40,825)           |
| Hess .....                            | (900)         | (43,947)           |
| HollyFrontier .....                   | (1,800)       | (50,652)           |
| Murphy Oil .....                      | (1,700)       | (44,506)           |
| Oasis Petroleum * .....               | (5,336)       | (63,712)           |
| Occidental Petroleum .....            | (1,600)       | (98,464)           |
| Parsley Energy, CI A * .....          | (2,966)       | (88,357)           |
| PBF Energy, CI A .....                | (2,200)       | (49,104)           |
| PDC Energy * .....                    | (1,291)       | (71,302)           |
| Phillips 66 .....                     | (600)         | (47,736)           |
| Range Resources .....                 | (1,700)       | (45,033)           |
| Rice Energy * .....                   | (3,571)       | (76,027)           |
| Schlumberger .....                    | (700)         | (50,813)           |
| SM Energy .....                       | (1,900)       | (42,921)           |
| Southwestern Energy * .....           | (6,000)       | (45,060)           |
| Superior Energy Services * .....      | (3,100)       | (37,448)           |
| Targa Resources .....                 | (357)         | (19,681)           |
| US Silica Holdings .....              | (1,737)       | (72,086)           |
| Weatherford International PLC * ..... | (11,450)      | (66,067)           |
| WPX Energy * .....                    | (4,158)       | (49,605)           |
|                                       |               | <u>(1,724,970)</u> |

*The accompanying notes are an integral part of the financial statements.*

**COMMON STOCK — continued**

|                                       | <u>Shares</u> | <u>Value</u>       |
|---------------------------------------|---------------|--------------------|
| <b>Financials — (2.7)%</b>            |               |                    |
| Affiliated Managers Group .....       | (300)         | \$ (49,677)        |
| AGNC Investment ‡ .....               | (2,500)       | (52,675)           |
| AmTrust Financial Services .....      | (4,800)       | (77,040)           |
| Bank of the Ozarks .....              | (1,883)       | (89,386)           |
| Berkshire Hathaway, Cl B * .....      | (700)         | (115,647)          |
| Blackstone Group .....                | (4,132)       | (127,431)          |
| Chemical Financial .....              | (1,841)       | (87,355)           |
| Cullen .....                          | (600)         | (56,634)           |
| Franklin Resources .....              | (4,200)       | (181,062)          |
| Interactive Brokers Group, Cl A ..... | (2,193)       | (76,382)           |
| Invesco .....                         | (1,700)       | (55,998)           |
| KKR .....                             | (6,784)       | (128,760)          |
| Moody's .....                         | (500)         | (59,160)           |
| NASDAQ OMX Group .....                | (600)         | (41,322)           |
| Northern Trust .....                  | (1,100)       | (99,000)           |
| State Street .....                    | (1,300)       | (109,070)          |
| Torchmark .....                       | (600)         | (46,026)           |
| US Bancorp .....                      | (1,300)       | (66,664)           |
| Wells Fargo .....                     | (1,388)       | (74,730)           |
|                                       |               | <u>(1,594,019)</u> |
| <b>Health Care — (4.3)%</b>           |               |                    |
| AbbVie .....                          | (935)         | (61,654)           |
| Acadia Healthcare * .....             | (1,100)       | (47,938)           |
| ACADIA Pharmaceuticals * .....        | (2,158)       | (74,084)           |
| Alnylam Pharmaceuticals * .....       | (1,345)       | (72,092)           |
| Amgen .....                           | (667)         | (108,934)          |
| athenahealth * .....                  | (400)         | (39,204)           |
| BioMarin Pharmaceutical * .....       | (700)         | (67,088)           |
| Bluebird Bio * .....                  | (766)         | (68,136)           |
| Cerner * .....                        | (2,600)       | (168,350)          |

*The accompanying notes are an integral part of the financial statements.*

## COMMON STOCK — continued

|   | <u>Shares</u> | <u>Value</u>       |
|---|---------------|--------------------|
| <b>Health Care (continued)</b>          |               |                    |
| DaVita *                                | (2,300)       | \$ (158,723)       |
| Edwards Lifesciences *                  | (900)         | (98,703)           |
| Endo International PLC *                | (6,200)       | (70,494)           |
| Envision Healthcare *                   | (1,377)       | (77,153)           |
| Gilead Sciences                         | (700)         | (47,985)           |
| IDEXX Laboratories *                    | (400)         | (67,092)           |
| Illumina *                              | (900)         | (166,374)          |
| Impax Laboratories *                    | (3,700)       | (51,985)           |
| Intercept Pharmaceuticals *             | (600)         | (67,410)           |
| Johnson & Johnson                       | (113)         | (13,952)           |
| Laboratory Corp of America Holdings *   | (400)         | (56,060)           |
| Merck                                   | (1,128)       | (70,308)           |
| Molina Healthcare *                     | (1,100)       | (54,769)           |
| Mylan *                                 | (2,100)       | (78,435)           |
| Nektar Therapeutics, Cl A *             | (2,200)       | (41,734)           |
| Neurocrine Biosciences *                | (1,577)       | (84,212)           |
| OPKO Health *                           | (8,000)       | (62,160)           |
| Pacira Pharmaceuticals *                | (600)         | (29,130)           |
| Regeneron Pharmaceuticals *             | (200)         | (77,698)           |
| ResMed                                  | (800)         | (54,392)           |
| Tenet Healthcare *                      | (3,500)       | (54,845)           |
| Ultragenyx Pharmaceutical *             | (861)         | (55,440)           |
| Valeant Pharmaceuticals International * | (4,700)       | (43,475)           |
| Varian Medical Systems *                | (1,700)       | (154,258)          |
| Veeva Systems, Cl A *                   | (600)         | (32,172)           |
| Vertex Pharmaceuticals *                | (600)         | (70,980)           |
|   |               | <u>(2,547,419)</u> |
| <b>Industrials — (2.4)%</b>             |               |                    |
| 3M                                      | (300)         | (58,749)           |
| Acuity Brands                           | (694)         | (122,213)          |

The accompanying notes are an integral part of the financial statements.

**COMMON STOCK — continued**

|  | <u>Shares</u> | <u>Value</u>       |
|--|---------------|--------------------|
| <b>Industrials (continued)</b>         |               |                    |
| Arconic .....                          | (2,200)       | \$ (60,126)        |
| Boeing .....                           | (400)         | (73,932)           |
| CH Robinson Worldwide .....            | (600)         | (43,620)           |
| Eaton PLC .....                        | (600)         | (45,384)           |
| Fastenal .....                         | (800)         | (35,744)           |
| Flowserve .....                        | (2,800)       | (142,436)          |
| Fortune Brands Home & Security .....   | (700)         | (44,618)           |
| JetBlue Airways * .....                | (2,700)       | (58,941)           |
| Lennox International .....             | (300)         | (49,617)           |
| MasTec * .....                         | (3,100)       | (136,865)          |
| Nielsen Holdings PLC .....             | (1,400)       | (57,582)           |
| Republic Services, CI A .....          | (800)         | (50,392)           |
| Ryder System .....                     | (600)         | (40,746)           |
| Stericycle * .....                     | (600)         | (51,204)           |
| TransDigm Group .....                  | (305)         | (75,253)           |
| Union Pacific .....                    | (500)         | (55,980)           |
| Wabtec .....                           | (1,747)       | (146,556)          |
| Waste Management .....                 | (700)         | (50,946)           |
|  |               | <u>(1,400,904)</u> |
| <b>Information Technology — (5.6)%</b> |               |                    |
| Advanced Micro Devices * .....         | (4,917)       | (65,396)           |
| Alliance Data Systems .....            | (200)         | (49,926)           |
| ANSYS * .....                          | (500)         | (55,080)           |
| Apple .....                            | (812)         | (116,644)          |
| Applied Optoelectronics * .....        | (900)         | (44,451)           |
| Arista Networks * .....                | (572)         | (79,874)           |
| Booz Allen Hamilton .....              | (1,400)       | (50,302)           |
| Broadcom, CI A .....                   | (570)         | (125,862)          |
| Cavium * .....                         | (600)         | (41,310)           |
| Ciena * .....                          | (2,000)       | (45,820)           |

*The accompanying notes are an integral part of the financial statements.*

**COMMON STOCK — continued**

|   | <u>Shares</u> | <u>Value</u>       |
|---|---------------|--------------------|
| <b>Information Technology (continued)</b> |               |                    |
| Cirrus Logic *                            | (700)         | \$ (45,045)        |
| Coherent *                                | (387)         | (83,437)           |
| Cypress Semiconductor                     | (8,864)       | (124,185)          |
| First Solar *                             | (2,600)       | (76,830)           |
| FleetCor Technologies *                   | (696)         | (98,233)           |
| Gartner *                                 | (1,000)       | (114,090)          |
| Global Payments                           | (1,439)       | (117,653)          |
| GrubHub *                                 | (2,067)       | (88,840)           |
| HP  | (6,400)       | (120,448)          |
| Jabil Circuit                             | (4,700)       | (136,394)          |
| Juniper Networks                          | (1,700)       | (51,119)           |
| KLA-Tencor                                | (400)         | (39,288)           |
| Leidos Holdings                           | (1,425)       | (75,040)           |
| MACOM Technology Solutions Holdings *     | (1,407)       | (68,774)           |
| Micron Technology *                       | (2,955)       | (81,765)           |
| Nuance Communications *                   | (4,700)       | (84,083)           |
| NVIDIA (A)                                | (500)         | (52,150)           |
| Palo Alto Networks *                      | (1,200)       | (130,092)          |
| Sabre                                     | (3,500)       | (81,935)           |
| Synaptics *                               | (1,000)       | (54,770)           |
| Teradata *                                | (3,700)       | (107,966)          |
| Teradyne                                  | (1,400)       | (49,378)           |
| Twitter *                                 | (16,900)      | (278,512)          |
| Universal Display                         | (1,605)       | (143,407)          |
| VeriSign *                                | (1,100)       | (97,812)           |
| ViaSat *                                  | (1,400)       | (89,642)           |
| WebMD Health, Cl A *                      | (900)         | (48,807)           |
| Western Union                             | (2,100)       | (41,706)           |
| Zillow Group, Cl C *                      | (400)         | (15,600)           |
|   |               | <u>(3,271,666)</u> |

*The accompanying notes are an integral part of the financial statements.*

**COMMON STOCK — continued**

|  | Shares  | Value            |
|--|---------|------------------|
| <b>Materials — (1.7)%</b>                |         |                  |
| CF Industries Holdings .....             | (2,693) | \$ (72,011)      |
| Commercial Metals .....                  | (5,800) | (108,112)        |
| FMC .....                                | (1,800) | (131,814)        |
| Freeport-McMoRan * .....                 | (6,800) | (86,700)         |
| International Flavors & Fragrances ..... | (700)   | (97,013)         |
| International Paper .....                | (1,100) | (59,367)         |
| Louisiana-Pacific * .....                | (2,500) | (64,350)         |
| Martin Marietta Materials .....          | (500)   | (110,095)        |
| PPG Industries .....                     | (600)   | (65,904)         |
| Reliance Steel & Aluminum .....          | (600)   | (47,292)         |
| Sherwin-Williams .....                   | (100)   | (33,468)         |
| United States Steel .....                | (1,629) | (36,359)         |
| US Concrete * .....                      | (700)   | (43,400)         |
|  |         | <u>(955,885)</u> |
| <b>Real Estate — (1.1)%</b>              |         |                  |
| Colony NorthStar, Cl A ‡ .....           | (948)   | (12,390)         |
| Cousins Properties ‡ .....               | (6,000) | (50,940)         |
| Equinix ‡ .....                          | (200)   | (83,540)         |
| Federal ‡ .....                          | (400)   | (52,356)         |
| HCP ‡ .....                              | (1,400) | (43,890)         |
| Jones Lang LaSalle .....                 | (600)   | (68,916)         |
| Macerich ‡ .....                         | (2,700) | (168,561)        |
| Public Storage ‡ .....                   | (300)   | (62,814)         |
| Realty Income ‡ .....                    | (653)   | (38,103)         |
| Regency Centers ‡ .....                  | (1,400) | (88,452)         |
|  |         | <u>(669,962)</u> |
| <b>Utilities — (0.6)%</b>                |         |                  |
| Calpine * .....                          | (4,300) | (43,860)         |
| Eversource Energy .....                  | (900)   | (53,460)         |

The accompanying notes are an integral part of the financial statements.



**COMMON STOCK — continued**

|   | Shares  | Value               |
|---|---------|---------------------|
| <b>Utilities (continued)</b>                        |         |                     |
| Pinnacle West Capital .....                         | (600)   | \$ (51,054)         |
| UGI .....   | (900)   | (45,144)            |
| WEC Energy Group .....                              | (1,700) | (102,884)           |
|   |         | <u>(296,402)</u>    |
| TOTAL COMMON STOCK<br>(Proceeds \$14,772,273) ..... |         | <u>(15,220,691)</u> |

**FOREIGN COMMON STOCK — (10.9)%**
**AUSTRALIA — (0.7)%**

|   |         |                  |
|---|---------|------------------|
| Amcor .....                                 | (9,461) | (111,296)        |
| Australia & New Zealand Banking Group ..... | (3,102) | (76,094)         |
| BHP Billiton .....                          | (5,340) | (94,847)         |
| National Australia Bank .....               | (3,032) | (77,192)         |
| Westpac Banking .....                       | (3,208) | (84,219)         |
|   |         | <u>(443,648)</u> |

**AUSTRIA — (0.1)%**

|           |         |          |
|-----------|---------|----------|
| ams ..... | (1,284) | (82,589) |
|-----------|---------|----------|

**BELGIUM — (0.2)%**

|                                |         |           |
|--------------------------------|---------|-----------|
| Anheuser-Busch InBev ADR ..... | (1,170) | (132,491) |
|--------------------------------|---------|-----------|

**BERMUDA — (0.2)%**

|                                |         |           |
|--------------------------------|---------|-----------|
| Marvell Technology Group ..... | (7,533) | (113,146) |
|--------------------------------|---------|-----------|

**CANADA — (1.2)%**

|   |          |           |
|---|----------|-----------|
| Barrick Gold .....                      | (2,200)  | (36,784)  |
| Bombardier * .....                      | (47,100) | (72,804)  |
| Brookfield Asset Management, CI A ..... | (3,058)  | (112,993) |
| Encana .....                            | (7,100)  | (75,991)  |
| Fairfax Financial Holdings .....        | (200)    | (91,425)  |
| First Quantum Minerals .....            | (7,700)  | (73,387)  |
| International Petroleum * .....         | (1,518)  | (5,519)   |

*The accompanying notes are an integral part of the financial statements.*

**FOREIGN COMMON STOCK — continued**

|                                | Shares   | Value            |
|--------------------------------|----------|------------------|
| <b>CANADA (continued)</b>      |          |                  |
| Methanex .....                 | (500)    | \$ (22,977)      |
| Ritchie Bros Auctioneers ..... | (1,218)  | (39,902)         |
| Shopify * .....                | (1,100)  | (83,581)         |
| Silver Wheaton .....           | (4,000)  | (79,821)         |
| Tourmaline Oil * .....         | (3,400)  | (66,802)         |
|                                |          | <u>(761,986)</u> |
| <b>CHILE — (0.2)%</b>          |          |                  |
| Antofagasta PLC .....          | (8,106)  | (87,981)         |
| <b>CHINA — (0.4)%</b>          |          |                  |
| 58.com ADR * .....             | (1,200)  | (47,496)         |
| Baidu ADR * .....              | (300)    | (54,069)         |
| YY ADR * .....                 | (1,900)  | (93,043)         |
|                                |          | <u>(194,608)</u> |
| <b>DENMARK — (0.2)%</b>        |          |                  |
| AP Moller - Maersk, Cl B ..... | (26)     | (44,969)         |
| Novo Nordisk ADR .....         | (1,200)  | (46,416)         |
|                                |          | <u>(91,385)</u>  |
| <b>FINLAND — (0.2)%</b>        |          |                  |
| Kesko, Cl B .....              | (744)    | (34,865)         |
| Nokia ADR .....                | (12,400) | (71,052)         |
|                                |          | <u>(105,917)</u> |
| <b>GERMANY — (0.7)%</b>        |          |                  |
| Bayerische Motoren Werke ..... | (830)    | (79,246)         |
| Daimler .....                  | (961)    | (71,602)         |
| Deutsche Bank .....            | (4,800)  | (86,736)         |
| Fresenius & KGaA .....         | (534)    | (43,283)         |
| GEA Group .....                | (2,096)  | (89,135)         |
|                                |          | <u>(370,002)</u> |

The accompanying notes are an integral part of the financial statements.

**FOREIGN COMMON STOCK — continued**

|   | <u>Shares</u> | <u>Value</u>     |
|---|---------------|------------------|
| <b>INDIA — (0.1)%</b>                     |               |                  |
| Infosys ADR .....                         | (5,400)       | \$ (78,624)      |
| <b>ISRAEL — (0.2)%</b>                    |               |                  |
| Check Point Software Technologies * ..... | (1,300)       | <u>(135,213)</u> |
| <b>ITALY — (0.2)%</b>                     |               |                  |
| Banco BPM * .....                         | (23,555)      | (68,508)         |
| UniCredit .....                           | (1,986)       | <u>(32,321)</u>  |
|   |               | <u>(100,829)</u> |
| <b>JAPAN — (1.6)%</b>                     |               |                  |
| CYBERDYNE * .....                         | (6,400)       | (90,424)         |
| Fukuoka Financial Group .....             | (16,000)      | (72,913)         |
| Marui Group .....                         | (6,200)       | (84,873)         |
| Mitsubishi UFJ Financial Group .....      | (12,400)      | (78,888)         |
| MonotaRO .....                            | (2,500)       | (81,296)         |
| Nintendo .....                            | (300)         | (75,474)         |
| PeptiDream * .....                        | (1,300)       | (77,784)         |
| Rakuten .....                             | (5,500)       | (56,295)         |
| Seibu Holdings .....                      | (5,300)       | (92,521)         |
| Sharp * .....                             | (22,000)      | (79,336)         |
| Sumco .....                               | (5,700)       | (99,657)         |
| Toyota Motor .....                        | (300)         | (16,241)         |
| Yahoo Japan .....                         | (19,300)      | <u>(82,585)</u>  |
|   |               | <u>(988,287)</u> |
| <b>LUXEMBOURG — (0.3)%</b>                |               |                  |
| ArcelorMittal .....                       | (11,544)      | (91,080)         |
| Tenaris ADR .....                         | (2,384)       | <u>(74,452)</u>  |
|   |               | <u>(165,532)</u> |
| <b>NETHERLANDS — (0.4)%</b>               |               |                  |
| ASML Holding .....                        | (780)         | (103,106)        |
| OCI * .....                               | (4,129)       | (80,329)         |

*The accompanying notes are an integral part of the financial statements.*

**FOREIGN COMMON STOCK — continued**

|                                       | <u>Shares</u> | <u>Value</u>     |
|---------------------------------------|---------------|------------------|
| <b>NETHERLANDS (continued)</b>        |               |                  |
| Royal Dutch Shell PLC, Cl A .....     | (1,144)       | \$ (29,758)      |
|                                       |               | <u>(213,193)</u> |
| <b>SPAIN — (0.7)%</b>                 |               |                  |
| Banco Popular Espanol .....           | (82,431)      | (57,826)         |
| Banco Santander .....                 | (18,953)      | (123,605)        |
| Ferrovial .....                       | (5,479)       | (116,590)        |
| Grifols .....                         | (3,357)       | (90,158)         |
|                                       |               | <u>(388,179)</u> |
| <b>SWEDEN — (1.0)%</b>                |               |                  |
| Assa Abloy, Cl B .....                | (5,340)       | (115,695)        |
| Autoliv .....                         | (1,000)       | (100,190)        |
| Kinnevik .....                        | (395)         | (10,543)         |
| Lundin Petroleum * .....              | (4,554)       | (86,943)         |
| Nibe Industrier, Cl B .....           | (12,119)      | (107,408)        |
| Volvo, Cl B .....                     | (5,424)       | (88,733)         |
|                                       |               | <u>(509,512)</u> |
| <b>SWITZERLAND — (0.3)%</b>           |               |                  |
| Cie Financiere Richemont .....        | (1,493)       | (124,767)        |
| Glencore PLC .....                    | (19,921)      | (78,347)         |
|                                       |               | <u>(203,114)</u> |
| <b>UNITED KINGDOM — (2.0)%</b>        |               |                  |
| AstraZeneca PLC ADR .....             | (2,514)       | (76,049)         |
| Capita PLC .....                      | (9,201)       | (66,259)         |
| CNH Industrial .....                  | (7,684)       | (84,790)         |
| Coca-Cola European Partners PLC ..... | (4,253)       | (164,251)        |
| Liberty Global PLC LiLAC * .....      | (2,083)       | (45,493)         |
| Liberty Global PLC, Cl A * .....      | (800)         | (28,336)         |
| Liberty Global PLC, Ser C * .....     | (2,400)       | (83,064)         |
| Pentair PLC .....                     | (1,200)       | (77,412)         |

*The accompanying notes are an integral part of the financial statements.*

**FOREIGN COMMON STOCK — continued**

|  | Shares   | Value              |
|--|----------|--------------------|
| <b>UNITED KINGDOM (continued)</b>                          |          |                    |
| Rio Tinto .....  | (2,232)  | \$ (101,015)       |
| Royal Bank of Scotland Group PLC * .....                   | (25,220) | (86,693)           |
| Standard Chartered PLC .....                               | (8,266)  | (77,213)           |
| Tullow Oil PLC * .....                                     | (22,342) | (60,740)           |
| Vodafone Group PLC ADR .....                               | (2,600)  | (68,094)           |
| Weir Group PLC .....                                       | (3,324)  | (85,718)           |
|  |          | <u>(1,105,127)</u> |
| TOTAL FOREIGN COMMON STOCK<br>(Proceeds \$5,826,822) ..... |          | <u>(6,271,363)</u> |

**FOREIGN PREFERRED STOCK — (0.4)%**
**GERMANY — (0.4)%**

|   |         |                  |
|---|---------|------------------|
| Porsche Automobil Holding .....                       | (2,002) | (117,130)        |
| Sartorius .....                                       | (168)   | (15,383)         |
| Volkswagen .....                                      | (783)   | (124,143)        |
|   |         | <u>(256,656)</u> |
| FOREIGN PREFERRED STOCK<br>(Proceeds \$211,202) ..... |         | <u>(256,656)</u> |

**REGISTERED INVESTMENT COMPANY — (0.7)%**
**EXCHANGE TRADED FUND — (0.7)%**

|  |         |                        |
|--|---------|------------------------|
| SPDR S&P 500 ETF Trust<br>(Proceeds \$425,933) .....             | (1,800) | (428,544)              |
| SECURITIES SOLD SHORT — (38.4)%<br>(Proceeds \$21,236,230) ..... |         | <u>\$ (22,177,254)</u> |

**PURCHASED OPTIONS — 0.2%**

|   | Contracts | Value     |
|---|-----------|-----------|
| Australian Dollar Future Option, Expires 6/17/2017, Strike Price<br>\$75.50 ..... | 9         | \$ 10,890 |

The accompanying notes are an integral part of the financial statements.

**PURCHASED OPTIONS — continued**

|  | <u>Contracts</u> | <u>Value</u>     |
|--|------------------|------------------|
| Australian Dollar Future Option, Expires 6/17/2017, Strike Price \$76* . . .           | 6                | \$ 9,300         |
| Australian Dollar Future Option, Expires 6/17/2017, Strike Price<br>\$78.50* . . . . . | 5                | 175              |
| S&P 500 E-Mini Option, Expires 6/17/2017, Strike Price \$2,425* . . . . .              | 45               | 24,750           |
| S&P 500 E-Mini Option, Expires 6/17/2017, Strike Price \$2,450* . . . . .              | 29               | 7,250            |
| U.S. 10 Year Future Option, Expires 5/20/2017, Strike Price \$123.50* . . .            | 20               | 937              |
| U.S. 10 Year Future Option, Expires 5/20/2017, Strike Price \$124.00* . . .            | 20               | 1,875            |
| U.S. 10 Year Future Option, Expires 5/20/2017, Strike Price \$125.50* . . .            | 39               | 28,031           |
| U.S. 10 Year Future Option, Expires 5/20/2017, Strike Price \$126.00* . . .            | 20               | 9,688            |
| <b>TOTAL PURCHASED OPTIONS — 0.2%</b><br>(Cost \$184,037) . . . . .                    |                  | <u>\$ 92,896</u> |

**WRITTEN OPTIONS — (0.3)%**

|  |      |                     |
|--|------|---------------------|
| Australian Dollar Future Option, Expires 6/17/2017, Strike Price<br>\$73.50* . . . . . | (4)  | (1,480)             |
| Australian Dollar Future Option, Expires 6/17/2017, Strike Price \$74* . . .           | (6)  | (3,060)             |
| U.S. 10 Year Future Option, Expires 6/17/2017, Strike Price \$124* . . . . .           | (18) | (31,219)            |
| U.S. 10 Year Future Option, Expires 6/17/2017, Strike Price \$124* . . . . .           | (18) | (6,187)             |
| U.S. 10 Year Future Option, Expires 6/17/2017, Strike Price \$124.50* . . .            | (20) | (27,500)            |
| U.S. 10 Year Future Option, Expires 6/17/2017, Strike Price \$124.50* . . .            | (20) | (9,687)             |
| U.S. 10 Year Future Option, Expires 6/17/2017, Strike Price \$125* . . . . .           | (39) | (41,438)            |
| U.S. 10 Year Future Option, Expires 6/17/2017, Strike Price \$125* . . . . .           | (39) | (26,203)            |
| U.S. Bond Future Option, Expires 6/17/2017, Strike Price \$150* . . . . .              | (5)  | (6,016)             |
| U.S. Bond Future Option, Expires 6/17/2017, Strike Price \$154* . . . . .              | (5)  | (5,625)             |
| <b>TOTAL WRITTEN OPTIONS — (0.3)%</b><br>(Premiums Received \$180,190) . . . . .       |      | <u>\$ (158,415)</u> |

Percentages are based on Net Assets of \$57,752,453.

\* Non-income producing security.

‡ Real Estate Investment Trust.

(A) All or a portion of the shares have been committed as collateral for open short positions.

(B) The rate shown is the 7-day effective yield as of April 30, 2017.

The accompanying notes are an integral part of the financial statements.

*(C) Security is a Master Limited Partnership. At April 30, 2017, such securities amounted to \$(31,330), or (0.1)% of Net Assets.*

*ADR — American Depositary Receipt*

*BRL — Brazilian Real*

*BTP — Buoni del Tesoro Poliennali (Republic of Italy)*

*CAC40 — French Stock Market Index benchmark*

*CBOE — Chicago Board Options Exchange*

*CI — Class*

*CNX Nifty — National Stock Exchange of India's benchmark Stock Market index for Indian Equity Market*

*DAX — German Stock Exchange*

*DJIA — Dow Jones Industrial Average*

*ETF — Exchange Traded Fund*

*EURIBOR — Euro Interbank Offered Rate*

*Euro STOXX — Stock index of Eurozone stocks*

*FTSE — Financial Times Stock Exchange*

*GBP — British Pound*

*JSE — Johannesburg Stock Exchange*

*KOSPI — Capitalization weighted index of all common shares on the Korean Stock Exchanges*

*KRW — Korean Won*

*LLC — Limited Liability Company*

*LME — London Metal Exchange*

*MIB — Italian Stock Exchange*

*MSCI — Morgan Stanley Capital International*

*NASDAQ — National Association of Securities Dealers Automated Quotations*

*NY — New York*

*NYMEX — New York Mercantile Exchange*

*OMX — Stockholm Stock Exchange*

*OTC — Over the Counter*

*PLC — Public Limited Company*

*RBOB — Reformulated Blendstock for Oxygenate Blending*

*S&P — Standard & Poor's*

*Ser — Series*

*SGX — Singapore Exchange*

*SPDR — Standard & Poor's Depositary Receipt*

*SPI — Swiss Performance Index*

*TOPIX — Tokyo Stock Price Index*

*TSE — Tokyo Stock Exchange*

*VIX — Volatility Index*

*WTI — West Texas Intermediate*

*The accompanying notes are an integral part of the financial statements.*

A list of open OTC swap agreements held by the Fund at April 30, 2017 is as follows:

| Total Return Swaps       |                             |                       |                       |                  |          |                 |  |
|--------------------------|-----------------------------|-----------------------|-----------------------|------------------|----------|-----------------|--|
| Counterparty             | Reference Entity/Obligation | Fund Pays             | Fund Receives         | Termination Date | Currency | Notional Amount | Net Unrealized Appreciation (Depreciation) |
| Morgan Stanley & Co. LLC | Bovespa Index               | Negative Price Return | Positive Price Return | 06/15/17         | BRL      | \$ (731,444)    | \$ (6,395)                                 |
| Morgan Stanley & Co. LLC | KOSPI 200 Index             | Negative Price Return | Positive Price Return | 06/10/17         | KRW      | (851,417)       | (32,548)                                   |
|                          |                             |                       |                       |                  |          |                 | <u>\$ (38,943)</u>                         |

The open futures contracts held by the Fund at April 30, 2017, are as follows:

| Type of Contract         | Number of Contracts Long (Short) | Expiration Date | Unrealized Appreciation (Depreciation) |
|--------------------------|----------------------------------|-----------------|--|
| 3-Month Euro EURIBOR     | (2)                              | Dec-2017        | \$ (231)                               |
| 3-Month Euro EURIBOR     | (2)                              | Mar-2018        | (203)                                  |
| 3-Month Euro EURIBOR     | 1                                | Jun-2018        | (55)                                   |
| 3-Month Euro EURIBOR     | 3                                | Sep-2018        | (16)                                   |
| 90-Day Bank Bill         | 2                                | Dec-2017        | (4)                                    |
| 90-Day Bank Bill         | 6                                | Jun-2018        | 568                                    |
| 90-Day Bank Bill         | 4                                | Sep-2018        | 138                                    |
| 90-Day Euro\$            | (1)                              | Sep-2018        | (116)                                  |
| 90-Day Sterling          | 7                                | Dec-2017        | 77                                     |
| 90-Day Sterling          | 6                                | Mar-2018        | 60                                     |
| 90-Day Sterling          | 7                                | Jun-2018        | (51)                                   |
| 90-Day Sterling          | 6                                | Sep-2018        | (7)                                    |
| Amsterdam Index          | 23                               | May-2017        | 30,475                                 |
| Australian 3-Year Bond   | (8)                              | Jun-2017        | (5,532)                                |
| Australian Bond          | 23                               | Jun-2017        | 31,564                                 |
| Australian Currency      | (63)                             | Jun-2017        | 96,335                                 |
| Brent Crude Penultimate  | (12)                             | May-2017        | 2,859                                  |
| CAC40 10 Euro            | 53                               | May-2017        | 62,133                                 |
| Canadian 10-Year Bond    | 5                                | Jun-2017        | 28,414                                 |
| Canadian Bank Acceptance | (1)                              | Dec-2017        | (57)                                   |
| Canadian Bank Acceptance | 2                                | Jun-2018        | (5)                                    |
| Canadian Currency        | (32)                             | Jun-2017        | 22,550                                 |

The accompanying notes are an integral part of the financial statements.



**THE ADVISORS' INNER CIRCLE FUND III**
**FIERA CAPITAL DIVERSIFIED  
ALTERNATIVES FUND  
APRIL 30, 2017 (Unaudited)**

| Type of Contract       | Number of Contracts Long (Short) | Expiration Date | Unrealized Appreciation (Depreciation) |
|------------------------|----------------------------------|-----------------|--|
| CBOE VIX Future        | (48)                             | May-2017        | \$ 5,835                               |
| CBOE VIX Future        | (10)                             | Jun-2017        | 10,563                                 |
| CBOE VIX Future        | 5                                | Jul-2017        | (472)                                  |
| CBOE VIX Future        | (15)                             | Aug-2017        | 3,299                                  |
| Corn                   | (48)                             | Jul-2017        | 2,160                                  |
| Cotton No. 2           | 4                                | Jul-2017        | 592                                    |
| DAX Index              | 3                                | Jun-2017        | 30,906                                 |
| DJIA MINI              | 6                                | Jun-2017        | 5,213                                  |
| Euro Currency          | (1)                              | Jun-2017        | 510                                    |
| Euro Currency          | 1                                | Jun-2017        | (609)                                  |
| Euro STOXX             | 169                              | Jun-2017        | 145,273                                |
| Euro-Bobl              | 20                               | Jun-2017        | 853                                    |
| Euro-BTP               | (29)                             | Jun-2017        | (27,476)                               |
| Euro-Bund              | 12                               | Jun-2017        | 9,941                                  |
| Euro-Oat               | (23)                             | Jun-2017        | (37,744)                               |
| FTSE 100 Index         | 31                               | Jun-2017        | 7,189                                  |
| FTSE/JSE Top 40 Index  | (24)                             | Jun-2017        | (39,074)                               |
| FTSE/MIB               | 7                                | Jun-2017        | 35,880                                 |
| GBP Currency           | (2)                              | Jun-2017        | (1,235)                                |
| Gold                   | 13                               | Jun-2017        | 768                                    |
| Hang Seng Index        | 3                                | May-2017        | 161                                    |
| H-shares Index         | 5                                | May-2017        | (882)                                  |
| Japanese 10-Year Bond  | 4                                | Jun-2017        | (3,206)                                |
| Japanese Currency      | 110                              | Jun-2017        | 15,831                                 |
| Live Cattle            | 4                                | Jul-2017        | 20,528                                 |
| Live Cattle            | (1)                              | Aug-2017        | (6,191)                                |
| LME Aluminum           | 4                                | Jun-2017        | (1,851)                                |
| LME Copper             | (1)                              | Jun-2017        | (5,003)                                |
| LME Copper             | 15                               | Jul-2017        | 1,505                                  |
| LME Lead               | 1                                | Jun-2017        | (7)                                    |
| LME Nickel             | (2)                              | Jun-2017        | (2,298)                                |
| LME Tin                | 2                                | Jun-2017        | (11)                                   |
| LME Zinc               | 2                                | Jun-2017        | 241                                    |
| Long Gilt 10-Year Bond | 36                               | Jun-2017        | 19,162                                 |
| Low Sulfur Gasoline    | 7                                | Jun-2017        | (9,287)                                |
| Mexican Peso           | 34                               | Jun-2017        | (6,690)                                |
| MSCI Sing Index        | 15                               | May-2017        | 2,035                                  |

*The accompanying notes are an integral part of the financial statements.*

**THE ADVISORS' INNER CIRCLE FUND III**
**FIERA CAPITAL DIVERSIFIED  
ALTERNATIVES FUND  
APRIL 30, 2017 (Unaudited)**

| Type of Contract              | Number of Contracts Long (Short) | Expiration Date | Unrealized Appreciation (Depreciation) |
|-------------------------------|----------------------------------|-----------------|--|
| MSCI Taiwan Index             | 8                                | May-2017        | \$ 1,355                               |
| NASDAQ 100 E-MINI             | 14                               | Jun-2017        | 27,078                                 |
| Natural Gas                   | (3)                              | Jun-2017        | (3,692)                                |
| New Zealand Future            | (22)                             | Jun-2017        | 23,495                                 |
| Nikkei 225 Index              | 1                                | Jun-2017        | (183)                                  |
| Nikkei 225 Index              | (1)                              | Jun-2017        | (2,260)                                |
| NY Harbor                     | (2)                              | Jun-2017        | 1,835                                  |
| NYMEX Cocoa                   | (3)                              | Jul-2017        | 3,311                                  |
| NYMEX Coffee                  | (13)                             | Jul-2017        | 12,551                                 |
| OMX Index                     | 119                              | May-2017        | 21,996                                 |
| Palladium                     | 2                                | Jun-2017        | 6,510                                  |
| Platinum                      | (6)                              | Jul-2017        | 4,355                                  |
| RBOB Gasoline                 | 3                                | Jun-2017        | (29,484)                               |
| Russell 2000 Index E-MINI     | 10                               | Jun-2017        | 5,923                                  |
| S&P 500 Index E-MINI          | (47)                             | Jun-2017        | (893)                                  |
| S&P Mid 400 Index E-MINI      | 3                                | Jun-2017        | 11,054                                 |
| S&P TSE 60 Index              | 6                                | Jun-2017        | (10,040)                               |
| SGX S&P CNX Nifty Index       | (58)                             | May-2017        | (1,099)                                |
| Silver                        | 5                                | Jul-2017        | (2,416)                                |
| Soybean                       | 15                               | Jul-2017        | 982                                    |
| Soybean Meal                  | 19                               | Jul-2017        | 5,426                                  |
| Soybean Oil                   | 13                               | Jul-2017        | (679)                                  |
| SPI 200 Index                 | 12                               | Jun-2017        | 11,595                                 |
| Sugar                         | (12)                             | Sep-2017        | 7,065                                  |
| Swiss Franc                   | (6)                              | Jun-2017        | (8,625)                                |
| TOPIX Index                   | (6)                              | Jun-2017        | 1,754                                  |
| U.S. 2-Year Treasury Note     | 1                                | Jul-2017        | 217                                    |
| U.S. 5-Year Treasury Note     | 24                               | Jul-2017        | 455                                    |
| U.S. 10-Year Treasury Note    | 25                               | Jun-2017        | (4,773)                                |
| U.S. Long Treasury Bond       | 40                               | Jun-2017        | (32,965)                               |
| U.S. Ultra Long Treasury Bond | (1)                              | Jun-2017        | (2,713)                                |
| Wheat                         | (62)                             | Jul-2017        | 42,244                                 |
| White Sugar                   | 2                                | Sep-2017        | (1,514)                                |
| WTI Crude                     | (22)                             | Jun-2017        | 58,758                                 |
|                               |                                  |                 | <u>\$ 591,928</u>                      |

The accompanying notes are an integral part of the financial statements.

**STATEMENT OF ASSETS AND LIABILITIES**
**Assets:**

|  |              |
|--|--------------|
| Investments, at Value (Cost \$52,422,666)          | \$53,314,765 |
| Foreign Currency, at Value (Cost \$497,988)        | 505,055      |
| Receivable from Prime Broker                       | 26,528,564   |
| Receivable for Investment Securities Sold          | 4,500,491    |
| Dividend and Interest Receivable                   | 17,995       |
| Purchased Options, at Value (Cost \$184,037)       | 92,896       |
| Variation Margin Receivable                        | 7,025        |
| Reclaim Receivable                                 | 4,644        |
| Receivable for Capital Shares Sold                 | 870          |
| Unrealized Gain on Foreign Spot Currency Contracts | 597          |
| Other Prepaid Expenses                             | 9,721        |

**Total Assets** 84,982,623

**Liabilities:**

|   |            |
|---|------------|
| Securities Sold Short, at Value (Proceeds \$21,236,230) | 22,177,254 |
| Written Options, at Value (Premiums Received \$180,190) | 158,415    |
| Payable for Investment Securities Purchased             | 4,708,177  |
| Due to Custodian  | 12,860     |
| Unrealized Loss on Foreign Spot Currency Contracts      | 1,433      |
| Payable to Investment Adviser                           | 60,748     |
| Payable to Administrator                                | 18,493     |
| Chief Compliance Officer Fees Payable                   | 7,252      |
| Shareholder Servicing Fees Payable                      | 1,332      |
| Distribution Fees Payable                               | 439        |
| Unrealized Depreciation on Swap Contracts               | 38,943     |
| Other Accrued Expenses and Other Payables               | 44,824     |

**Total Liabilities** 27,230,170

**Net Assets** \$57,752,453

**Net Assets Consist of:**

|  |              |
|--|--------------|
| Paid-in Capital  | \$60,094,774 |
| Accumulated Net Investment Loss  | (1,552,760)  |
| Accumulated Net Realized Loss on Investments and Foreign Currency Transactions   | (1,233,111)  |
| Net Unrealized Depreciation on Investments and Securities Sold Short   | (48,925)     |
| Net Unrealized Appreciation on Futures Contracts   | 591,928      |
| Net Unrealized Depreciation on Swap Contracts  | (38,943)     |
| Net Unrealized Depreciation on Options Contracts   | (69,366)     |
| Net Unrealized Appreciation on Foreign Currency and Translation of Other Assets and Liabilities<br>Denominated in Foreign Currencies | 8,856        |

**Net Assets** \$57,752,453

**Institutional Class Shares:**

|  |              |
|--|--------------|
| Net Assets   | \$57,743,384 |
| Outstanding Shares of beneficial interest (unlimited authorization — no par value) | 5,931,275    |
| Net Asset Value, Offering and Redemption Price Per Share                           | \$ 9.74      |

**Investor Class Shares:**

|  |          |
|--|----------|
| Net Assets   | \$ 9,069 |
| Outstanding Shares of beneficial interest (unlimited authorization — no par value) | 939      |
| Net Asset Value, Offering and Redemption Price Per Share                           | \$ 9.66  |

*The accompanying notes are an integral part of the financial statements.*

**STATEMENT OF OPERATIONS**

|  |                   |
|--|-------------------|
| <b>Investment Income:</b>  |                   |
| Dividends .....  | \$ 203,980        |
| Interest .....   | 58,261            |
| Less: Foreign Taxes Withheld .....   | (10,919)          |
| <b>Total Investment Income .....</b>   | <b>251,322</b>    |
| <b>Expenses:</b>   |                   |
| Investment Advisory Fees (Note 7) .....  | 499,022           |
| Administration Fees (Note 6) .....   | 111,473           |
| Trustees' Fees .....   | 12,012            |
| Chief Compliance Officer Fees (Note 5) .....   | 10,810            |
| Distribution Fees, Investor Class Shares (Note 6) .....  | 30                |
| Shareholder Serving Fees, Investor Class Shares (Note 6) .....                                 | 12                |
| Dividend and Interest Expense on Securities Sold Short (Note 2) .....                          | 183,743           |
| Custodian Fees (Note 6) .....  | 55,673            |
| Transfer Agent Fees (Note 6) .....   | 38,962            |
| Legal Fees .....   | 32,751            |
| Audit Fees .....   | 21,450            |
| Registration and Filing Fees .....   | 16,240            |
| Other Expenses .....   | 28,826            |
| <b>Total Expenses .....</b>  | <b>1,011,004</b>  |
| <b>Less:</b>   |                   |
| Waiver of Investment Advisory Fees (Note 7) .....  | (114,156)         |
| <b>Net Expenses .....</b>  | <b>896,848</b>    |
| <b>Net Investment Loss .....</b>   | <b>(645,526)</b>  |
| <b>Net Realized Gain (Loss) on:</b>  |                   |
| Investments .....  | 1,547,455         |
| Securities Sold Short .....  | (1,776,407)       |
| Futures Contracts .....  | 1,067,737         |
| Swap Contracts .....   | 56,929            |
| Purchased and Written Options .....  | (164,630)         |
| Foreign Currency Transactions .....  | 13,178            |
| <b>Net Realized Gain .....</b>   | <b>744,262</b>    |
| <b>Net Change in Unrealized Appreciation (Depreciation) on:</b>                                |                   |
| Investments .....  | 1,243,718         |
| Securities Sold Short .....  | (1,264,763)       |
| Futures Contracts .....  | 617,232           |
| Swap Contracts .....   | (34,578)          |
| Purchased and Written Options .....  | (48,080)          |
| Foreign Currency Translation .....   | 9,808             |
| <b>Net Change in Unrealized Appreciation (Depreciation) .....</b>                              | <b>523,337</b>    |
| <b>Net Realized and Unrealized Gain on Investments and Foreign Currency Transactions .....</b> | <b>1,267,599</b>  |
| <b>Net Increase in Net Assets Resulting from Operations .....</b>                              | <b>\$ 622,073</b> |

The accompanying notes are an integral part of the financial statements.

## STATEMENTS OF CHANGES IN NET ASSETS

|  | Six Months<br>Ended<br>April 30,<br>2017<br>(Unaudited) | Year<br>Ended<br>October 31,<br>2016 |
|--|---|--------------------------------------|
| <b>Operations:</b>   |   |                                      |
| Net Investment Loss  | \$ (645,526)  | \$ (1,145,155)                       |
| Net Realized Gain on Investments, Securities Sold Short, Futures Contracts, Swap Contracts,<br>Purchased and Written Options and Foreign Currency Transactions                                   | 744,262   | 600,695                              |
| Net Change in Unrealized Appreciation (Depreciation) on Investments, Securities Sold Short, Futures<br>Contracts, Swap Contracts, Purchased and Written Options and Foreign Currency Translation | 523,337   | (373,418)                            |
| <b>Net Increase (Decrease) in Net Assets Resulting From Operations</b>   | <u>622,073</u>  | <u>(917,878)</u>                     |
| <b>Dividends and Distributions:</b>  |   |                                      |
| Distributions from Capital Gains   |   |                                      |
| Institutional Class Shares   | —   | (3,247,236)                          |
| Investor Class Shares  | —   | (102,759)                            |
| Return of Capital  |   |                                      |
| Institutional Class Shares   | —   | (306)                                |
| Investor Class Shares  | —   | (4)                                  |
| <b>Total Dividends and Distributions</b>   | <u>—</u>  | <u>(3,350,305)</u>                   |
| <b>Capital Share Transactions:</b>   |   |                                      |
| Institutional Class Shares   |   |                                      |
| Issued   | 147,165   | 2,655,342                            |
| Reinvestment of Distributions  | —   | 3,247,541                            |
| Redeemed   | (1,712,101)   | (2,014,352)                          |
| <b>Net Institutional Class Shares Transactions</b>   | <u>(1,564,936)</u>                                      | <u>3,888,531</u>                     |
| Investor Class Shares  |   |                                      |
| Issued   | 1,800   | 167,642                              |
| Reinvestment of Distributions  | —   | 102,762                              |
| Redeemed   | (94,769)  | (1,939,017)                          |
| <b>Net Investor Class Shares Transactions</b>  | <u>(92,969)</u>   | <u>(1,668,613)</u>                   |
| <b>Net Increase (Decrease) in Net Assets From Capital Share Transactions</b>   | <u>(1,657,905)</u>                                      | <u>2,219,918</u>                     |
| <b>Total Decrease in Net Assets</b>  | <u>(1,035,832)</u>                                      | <u>(2,048,265)</u>                   |
| <b>Net Assets:</b>   |   |                                      |
| Beginning of Period  | 58,788,285  | 60,836,550                           |
| End of Period (including Accumulated Net Investment Loss of \$(1,552,760) and \$(907,234),<br>respectively)  | <u>\$57,752,453</u>                                     | <u>\$58,788,285</u>                  |
| <b>Shares Transactions:</b>  |   |                                      |
| Institutional Class Shares   |   |                                      |
| Issued   | 15,336  | 274,947                              |
| Reinvestment of Distributions  | —   | 337,231                              |
| Redeemed   | (178,676)   | (209,042)                            |
| <b>Total Institutional Class Shares Transactions</b>   | <u>(163,340)</u>  | <u>403,136</u>                       |
| Investor Class Shares  |   |                                      |
| Issued   | 190   | 17,505                               |
| Reinvestment of Distributions  | —   | 10,727                               |
| Redeemed   | (10,016)  | (202,600)                            |
| <b>Total Investor Class Shares Transactions</b>  | <u>(9,826)</u>  | <u>(174,368)</u>                     |
| <b>Net Increase (Decrease) in Shares Outstanding From Share Transactions</b>   | <u>(173,166)</u>  | <u>228,768</u>                       |

The accompanying notes are an integral part of the financial statements.

## FINANCIAL HIGHLIGHTS

Selected Per Share Data & Ratios  
For a Share Outstanding

|  | Institutional Class Shares                              |                            |              |   |
|--|---|----------------------------|--------------|---|
|  | Six Months<br>Ended<br>April 30,<br>2017<br>(Unaudited) | Years Ended<br>October 31, |              | Period<br>Ended<br>October 31,<br>2014 <sup>(1)</sup> |
|  |   | 2016                       | 2015         |   |
| Net Asset Value, Beginning of Year/Period  | \$ 9.63   | \$ 10.35                   | \$ 10.01     | \$ 10.00  |
| Income (Loss) from Investment Operations:  |   |                            |              |   |
| Net Investment Loss*   | (0.11)  | (0.19)                     | (0.21)       | (0.05)  |
| Net Realized and Unrealized Gain   | 0.22  | 0.04                       | 0.55         | 0.06  |
| Total from Investment Operations   | 0.11  | (0.15)                     | 0.34         | 0.01  |
| Dividends and Distributions:   |   |                            |              |   |
| Capital Gains  | —   | (0.57) <sup>^</sup>        | —            | —   |
| Return of Capital  | —   | —                          | —            | —   |
| Total Dividends and Distributions  | —   | (0.57)                     | —            | —   |
| Net Asset Value, End of Year/Period  | \$ 9.74   | \$ 9.63                    | \$ 10.35     | \$ 10.01  |
| <b>Total Return†</b>   | <b>1.14%</b>  | <b>(1.45)%</b>             | <b>3.40%</b> | <b>0.10%</b>  |
| <b>Ratios and Supplemental Data</b>  |   |                            |              |   |
| Net Assets, End of Year/Period (Thousands)   | \$57,743  | \$58,685                   | \$58,928     | \$50,120  |
| Ratio of Expenses to Average Net Assets (Including Dividends and Interest on Short Sales and Waivers) <sup>(2)</sup> | 3.14%††   | 2.94%                      | 2.87%        | 2.89%††   |
| Ratio of Expenses to Average Net Assets (Including Dividends and Interest on Short Sales and Excluding Waivers)      | 3.54%††   | 3.22%                      | 3.48%        | 3.93%††   |
| Ratio of Net Investment Loss to Average Net Assets   | (2.26)%††   | (1.92)%                    | (2.01)%      | (2.10)%††   |
| Portfolio Turnover Rate  | 290%‡   | 796%                       | 603%         | 140%‡   |

\* Per share calculations were performed using average shares for the year/period.

† Total return is for the period indicated and has not been annualized. Returns shown do not reflect the deductions of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

†† Annualized.

‡ Portfolio turnover is for the period indicated and has not been annualized.

<sup>^</sup> Amount represents less than \$0.01 per share.

<sup>(1)</sup> The Fund commenced operations on July 25, 2014.

<sup>(2)</sup> Excluding dividends and interest on short sales, the ratio of expenses to average net assets would have been 2.50% for the period ended April 30, 2017 and the years ending October 31, 2016 and October 31, 2015, and the period ending October 31, 2014.

Amounts designated as "—" are either not applicable, \$0 or have been rounded to \$0.

The accompanying notes are an integral part of the financial statements.

## FINANCIAL HIGHLIGHTS — continued

Selected Per Share Data & Ratios  
For a Share Outstanding

|  | Investor Class Shares                                   |                            |              |   |
|--|---|----------------------------|--------------|---|
|  | Six Months<br>Ended<br>April 30,<br>2017<br>(Unaudited) | Years Ended<br>October 31, |              | Period<br>Ended<br>October 31,<br>2014 <sup>(1)</sup> |
|  |   | 2016                       | 2015         |   |
| Net Asset Value, Beginning of Year/Period  | \$ 9.54   | \$10.31                    | \$10.00      | \$10.00   |
| Income (Loss) from Investment Operations:  |   |                            |              |   |
| Net Investment Loss*   | (0.13)  | (0.23)                     | (0.25)       | (0.06)  |
| Net Realized and Unrealized Gain   | 0.25  | 0.03                       | 0.56         | 0.06  |
| Total from Investment Operations   | 0.12  | (0.20)                     | 0.31         | —   |
| Dividends and Distributions:   |   |                            |              |   |
| Capital Gains  | —   | (0.57)                     | —            | —   |
| Return of Capital  | —   | — <sup>^</sup>             | —            | —   |
| Total Dividends and Distributions  | —   | (0.57)                     | —            | —   |
| Net Asset Value, End of Year/Period  | \$ 9.66   | \$ 9.54                    | \$10.31      | \$10.00   |
| <b>Total Return</b>  | <u>1.26%</u>  | <u>(1.97)%</u>             | <u>3.10%</u> | <u>0.00%</u>  |
| <b>Ratios and Supplemental Data</b>  |   |                            |              |   |
| Net Assets, End of Year/Period (Thousands)   | \$ 9  | \$ 103                     | \$1,909      | \$ 10   |
| Ratio of Expenses to Average Net Assets (Including Dividends and Interest on Short Sales and Waivers) <sup>(2)</sup> | 3.43%††   | 3.27%                      | 3.22%        | 3.28%††   |
| Ratio of Expenses to Average Net Assets (Including Dividends and Interest on Short Sales and Excluding Waivers)      | 3.76%††   | 3.56%                      | 3.82%        | 66.30%††  |
| Ratio of Net Investment Loss to Average Net Assets   | (2.71)%††   | (2.38)%                    | (2.39)%      | (2.44)%††   |
| Portfolio Turnover Rate  | 290%‡   | 796%                       | 603%         | 140%‡   |

\* Per share calculations were performed using average shares for the year/period.

† Total return is for the period indicated and has not been annualized. Returns shown do not reflect the deductions of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

†† Annualized.

‡ Portfolio turnover is for the period indicated and has not been annualized.

<sup>^</sup> Amount represents less than \$0.01 per share.

<sup>(1)</sup> The Fund commenced operations on July 25, 2014.

<sup>(2)</sup> Excluding dividends and interest on short sales, the ratio of expenses to average net assets would have been 2.79% for the period ended April 30, 2017, 2.83% for the year ending October 31, 2016, and 2.85% for the year ending October 31, 2015 and the period ending October 31, 2014, respectively.

Amounts designated as “—” are either not applicable, \$0 or have been rounded to \$0.

The accompanying notes are an integral part of the financial statements.

## NOTES TO FINANCIAL STATEMENTS

**1. Organization:**

The Advisors' Inner Circle Fund III (the "Trust") is organized as a Delaware statutory trust under a Declaration of Trust dated December 4, 2013. The Trust is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company with 17 funds. The financial statements herein are those of the Fiera Capital Diversified Alternatives Fund (the "Fund"), formerly the Rothschild Larch Lane Alternatives Fund. The investment objective of the Fund is to seek to generate consistent returns relative to risk and maintain low correlation to equity and bond markets. The Fund is classified as a diversified investment company. Fiera Capital Inc. serves as the Fund's investment adviser (the "Adviser"). The Adviser has registered with the National Futures Association as a "Commodity Pool Operator" under the Commodities Exchange Act with respect to the Fund. The Fund currently offers Institutional Class Shares and Investor Class Shares. The Fund commenced operations on July 25, 2014. The financial statements of the remaining funds of the Trust are presented separately. The assets of each fund are segregated, and a shareholder's interest is limited to the fund in which shares are held.

**2. Significant Accounting Policies:**

The following is a summary of the Significant Accounting Policies followed by the Fund.

*Use of Estimates* — The Fund is an investment company that applies the accounting and reporting guidance issued in Topic 946 by the U.S. Financial Accounting Standards Board. The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the fair value of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates and such differences could be material.

*Security Valuation* — Securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on NASDAQ), including securities traded over the counter, are valued at the last quoted sale price on an exchange or market (foreign or domestic) on which they are traded or, if there is no such reported sale on the valuation date, at the most recent quoted bid price. For securities traded on NASDAQ, the NASDAQ official closing price will be used. The prices for foreign securities are reported in local currency and converted to U.S. dollars using currency exchange rates. Prices for most securities held in the Fund are provided daily by recognized independent pricing agents. If a security price cannot be obtained from an independent, third-party pricing agent, the Fund seeks to obtain a bid price from at least one independent broker.



Securities for which market prices are not “readily available” are valued in accordance with “Fair Value Procedures” established by the Fund’s Board of Trustees (the “Board”). The Fund’s Fair Value Procedures are implemented through a Fair Value Committee (the “Committee”) designated by the Board. Some of the more common reasons that may necessitate that a security be valued using Fair Value Procedures include: the security’s trading has been halted or suspended; the security has been de-listed from a national exchange; the security’s primary trading market is temporarily closed at a time when under normal conditions it would be open; the security has not been traded for an extended period of time; the security’s primary pricing source is not able or willing to provide a price; or trading of the security is subject to local government imposed restrictions. When a security is valued in accordance with the Fair Value Procedures, the Committee will determine the value after taking into consideration relevant information reasonably available to the Committee.

Options for which the primary market is a national securities exchange are valued at the last sale price on the exchange on which they are traded, or, in the absence of any sale, at the closing bid price for long positions and at the closing ask price for written options. Options not traded on a national securities exchange are valued at the last quoted bid price.

Swaps are marked-to-market daily based upon quotations from market makers and the resulting changes in market values, if any, are recorded as an unrealized gain or loss in the Statement of Operations.

Futures contracts that are traded on an exchange are valued at their last reported sales price as of the valuation date.

For securities that principally trade on a foreign market or exchange, a significant gap in time can exist between the time of a particular security’s last trade and the time at which the Fund calculates its net asset value. The closing prices of such securities may no longer reflect their market value at the time the Fund calculates its net asset value if an event that could materially affect the value of those securities (a “Significant Event”) has occurred between the time of the security’s last close and the time that the Fund calculates net asset value. A Significant Event may relate to a single issuer or to an entire market sector. If the Adviser of the Fund becomes aware of a Significant Event that has occurred with respect to a security or group of securities after the closing of the exchange or market on which the security or securities principally trade, but before the time at which the Fund calculates its net asset value, it may request that a Committee meeting be called.

There were no securities in the Fund valued in accordance with fair value procedures as of April 30, 2017.

In accordance with U.S. GAAP, the Fund discloses fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 — Other significant observable inputs (includes quoted prices for similar securities, interest rates, prepayment speeds, credit risk, referenced indices, quoted prices in inactive markets, adjusted quoted prices in active markets, adjusted quoted prices on foreign equity securities that were adjusted in accordance with pricing procedures approved by the Board, etc.); and
- Level 3 — Prices, inputs or exotic modeling techniques which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Investments are classified within the level of the lowest significant input considered in determining fair value. Investments classified within Level 3 whose fair value measurement considers several inputs may include Level 1 or Level 2 inputs as components of the overall fair value measurement.

The following table summarizes the inputs used as of April 30, 2017, in valuing the Fund's investments carried at value:

| Investments in Securities                | Level 1               | Level 2     | Level 3     | Total                 |
|--|-----------------------|-------------|-------------|-----------------------|
| Common Stock                             | \$ 19,572,421         | \$ —        | \$ —        | \$ 19,572,421         |
| Foreign Common Stock                     | 7,477,190             | —           | —           | 7,477,190             |
| Foreign Preferred Stock                  | 9,613                 | —           | —           | 9,613                 |
| Short-Term Investments                   | 26,255,541            | —           | —           | 26,255,541            |
| <b>Total Investments in Securities</b>   | <b>\$ 53,314,765</b>  | <b>\$ —</b> | <b>\$ —</b> | <b>\$ 53,314,765</b>  |
| Liabilities                              | Level 1               | Level 2     | Level 3     | Total                 |
| Common Stock                             | \$(15,220,691)        | \$ —        | \$ —        | \$(15,220,691)        |
| Foreign Common Stock                     | (6,271,363)           | —           | —           | (6,271,363)           |
| Foreign Preferred Stock                  | (256,656)             | —           | —           | (256,656)             |
| Registered Investment Company            | (428,544)             | —           | —           | (428,544)             |
| <b>Total Securities Sold Short</b>       | <b>\$(22,177,254)</b> | <b>\$ —</b> | <b>\$ —</b> | <b>\$(22,177,254)</b> |
| Other Financial Instruments              | Level 1               | Level 2     | Level 3     | Total                 |
| Purchased Options                        | \$ 92,896             | \$ —        | \$ —        | \$ 92,896             |
| Written Options                          | (158,415)             | —           | —           | (158,415)             |
| Total Return Swaps*                      |                       |             |             |                       |
| Depreciation                             | (38,943)              | —           | —           | (38,943)              |
| Futures Contracts*                       |                       |             |             |                       |
| Appreciation                             | 841,577               | —           | —           | 841,577               |
| Depreciation                             | (249,649)             | —           | —           | (249,649)             |
| <b>Total Other Financial Instruments</b> | <b>\$ 487,466</b>     | <b>\$ —</b> | <b>\$ —</b> | <b>\$ 487,466</b>     |

\* Total return swaps and futures contracts are valued at the unrealized appreciation (depreciation) on the instrument.

For the period ended April 30, 2017, there have been no transfers between Level 1, Level 2 and Level 3 assets and liabilities. As of April 30, 2017, the Fund did not hold any level 3 securities.

For the period ended April 30, 2017, there have been no significant changes to the Fund's fair valuation methodology.

**Federal Income Taxes** — It is the Fund's intention to qualify as a regulated investment company for Federal income tax purposes by complying with the appropriate provisions of Subchapter M of the Internal Revenue Code of 1986, as amended. Accordingly, no provisions for Federal income taxes have been made in the financial statements.

The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether it is "more-likely than-not" (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. The Fund did not record any tax provision in the current period. However, management's conclusions regarding tax positions taken may be subject to review and adjustment at a later date based on factors including, but not limited to, examination by tax authorities (i.e., from commencement of operations, as applicable), on-going analysis of and changes to tax laws, regulations and interpretations thereof.

As of and during the period ended April 30, 2017, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period, the Fund did not incur any significant interest or penalties.

*Security Transactions and Investment Income* — Security transactions are accounted for on trade date. Costs used in determining realized gains and losses on the sale of investment securities are based on the specific identification method. Dividend income and expense are recorded on the ex-dividend date. Interest income is recognized on the accrual basis from settlement date. Certain dividends from foreign securities will be recorded as soon as the Fund is informed of the dividend if such information is obtained subsequent to the ex-dividend date.

*Foreign Currency Translation* — The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars on the date of valuation. The Fund does not isolate that portion of realized or unrealized gains and losses resulting from changes in the foreign exchange rate from fluctuations arising from changes in the market prices of the securities. These gains and losses are included in net realized and unrealized gains and losses on investments on the Statement of Operations. Net realized and unrealized gains and losses on foreign currency transactions represent net foreign exchange gains or losses from foreign currency exchange contracts, disposition of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions and the difference between the amount of the investment income and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid.

*Futures Contracts* — The Fund utilized futures contracts during the period ended April 30, 2017. To the extent consistent with its investment objective and strategies,

the Fund may use futures contracts for tactical hedging purposes as well as to enhance the Fund's returns. Initial margin deposits of cash or securities are made upon entering into futures contracts. Futures are collateralized by cash deposits with the prime broker, Morgan Stanley & Co. LLC. The futures contracts are valued at the settlement price established each day by the board of exchange on which they are traded. The futures contracts are marked to market daily and the resulting changes in value are accounted for as unrealized gains and losses. Variation margin payments are paid or received, depending upon whether unrealized gains or losses are incurred. When the futures contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the amount invested in the futures contract.

Risks of entering into futures contracts include the possibility that there will be an imperfect price correlation between the futures and the underlying securities. Second, it is possible that a lack of liquidity for futures contracts could exist in the secondary market, resulting in an inability to close a position prior to its maturity date. Third, the futures contract involves the risk that a Fund could lose more than the original margin deposit required to initiate a futures transaction.

Finally, the risk exists that losses could exceed amounts disclosed on the Statement of Assets and Liabilities. Refer to the Fund's Schedule of Investments for details regarding open futures contracts as of April 30, 2017.

*Options Written/Purchased* — The Fund invested in financial options contracts to add return or to hedge their existing portfolio securities, or securities that the Fund intends to purchase, against fluctuations in fair value caused by changes in prevailing market interest rates. The option techniques utilized are to hedge against changes in interest rates, foreign currency exchange rates or securities prices in order to establish more definitely the effective return on securities or currencies held or intended to be acquired by the Fund, to reduce the volatility of the currency exposure associated with an investment in non-U.S. securities, or as an efficient means of adjusting exposure to the bond, equity and currency markets and not for speculation. When a Fund writes or purchases an option, an amount equal to the premium received or paid by a Fund is recorded as a liability or an asset and is subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by a Fund on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on affecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the cost of the purchase or proceeds from the sale in determining whether a Fund has realized a gain or a loss.

The risk in writing a call option is that a Fund gives up the opportunity for profit if the market price of the security increases. The risk in writing a put option is that a Fund may incur a loss if the market price of the security decreases and the option is exercised. The risk in purchasing an option is that a Fund pays a premium whether or not the option is exercised. A Fund also has the additional risk of being unable to enter into a closing transaction at an acceptable price if a liquid secondary market does not exist. Option contracts also involve the risk that they may not work as intended due to unanticipated developments in market conditions or other causes. Finally, for written options, the risk exists that losses could exceed amounts disclosed on the Statement of Assets and Liabilities. The Fund had open option contracts as of April 30, 2017, as disclosed in the Fund's Schedule of Investments. Refer to Note 3 for a summary of written option transactions for the period ended April 30, 2017.

*Investments in Real Estate Investment Trusts ("REITs")* — Dividend income from REITs is recorded based on the income included in distributions received from the REIT investments using published REIT reclassifications, including some management estimates when actual amounts are not available. Distributions received in excess of this estimated amount are recorded as a reduction of the cost of investments or reclassified to capital gains. The actual amounts of income, return of capital, and capital gains are only determined by each REIT after its fiscal year-end, and may differ from the estimated amounts.

*Securities Sold Short* — As consistent with the Fund's investment objectives, the Fund may engage in short sales. Short sales are transactions under which the Fund sells a security it does not own. To complete such a transaction, the Fund must borrow the security to make delivery to the buyer. The Fund then is obligated to replace the security borrowed by purchasing the security at the market price at the time of the replacement. The price at such time may be more or less than the price at which the security was sold by a Fund. Until the security is replaced, the Fund is required to pay the lender amounts equal to any dividends or interest that accrue during the period of the loan. Dividends and interest are shown as an expense for financial reporting purposes. To borrow the security, the Fund also may be required to pay a premium, which would decrease proceeds of the security sold. The proceeds of the short sale are retained by the broker, to the extent necessary to meet margin requirements, until the short position is closed out. A gain, limited to the price at which a Fund sold the security short, or a loss, unlimited in size, will be recognized upon the close of a short sale.

Until the Fund closes its short position or replaces the borrowed security, the Fund will: (a) maintain a segregated account containing cash or liquid securities at such a level that (i) the amount deposited in the account plus the amount deposited with the

broker as collateral will equal the current value of the security sold short; and (ii) the amount deposited in the segregated account plus the amount deposited with the broker as collateral will not be less than the market value of the security at the time the security was sold short, or (b) otherwise cover the Funds short positions. As of April 30, 2017, the Fund had open short positions as disclosed in the Fund's Schedule of Investments.

In accordance with the terms of its prime brokerage agreement, the Fund may receive rebate income or be charged a fee on borrowed securities. Such income or fee is calculated on a daily basis based upon the market value of each borrowed security and a variable rate that is dependent upon the availability of such security. The Fund records these prime broker charges on a net basis as interest income or interest expense on securities sold short. In addition, the Fund is required to pay the lender any dividends declared on short positions. Such amounts are recorded on the ex-dividend date as dividend expense on securities sold short.

Short sales are collateralized by cash deposits with the prime broker, Morgan Stanley & Co. LLC, and pledged securities held at the custodian, MUFG Union Bank, N.A. The collateral required is determined daily by reference to the market value on short positions.

The Fund is required to maintain margin cash balances at the prime broker sufficient to satisfy its short sales positions on a daily basis and is charged an interest expense at the Fed Funds Rate plus 200 basis points on the amount of any shortfall in the required cash margin. These amounts are disclosed as Receivable from Prime Broker on the Statement of Assets and Liabilities.

The Fund had prime brokerage borrowings throughout the period ended April 30, 2017:

| <u>Maximum<br/>Amount<br/>Borrowed</u> | <u>Average<br/>Outstanding<br/>Balance</u> | <u>Effective<br/>Interest<br/>Rate Paid</u> | <u>Interest<br/>Paid</u> |
|--|--|---|--------------------------|
| \$ 2,600,346                           | \$ 947,791                                 | 1.18%                                       | \$ 4,575                 |

*Swap Contracts* — The Fund is authorized to enter into swap contracts, including total return swaps and equity swaps contracts. Swaps are a two-party contract in which the seller (buyer) will pay to the buyer (seller) the difference between the current value of a security and its value at the time the contract was entered.

In a typical equity swap, one party agrees to pay another party the return on a stock, stock index or basket of stocks in return for a specified interest rate. By entering into an equity index swap, for example, the index receiver can gain exposure to stocks making

up the index of securities without actually purchasing those stocks. Equity index swaps involve not only the risk associated with investment in the securities represented in the index, but also the risk that the performance of such securities, including dividends, will not exceed the return on the interest rate that the Fund will be committed to pay.

Total return swaps are contracts in which one party agrees to make payments of the total return from a reference instrument — which may be a single asset, a pool of assets or an index of assets — during a specified period, in return for payments equal to a fixed or floating rate of interest or the total return from another underlying reference instrument. The total return includes appreciation or depreciation on the underlying asset, plus any interest or dividend payments. Payments under the swap are based upon an agreed upon principal amount but, since the principal amount is not exchanged, it represents neither an asset nor a liability to either counterparty, and is referred to as notional. Total return swaps are marked to market daily using different sources, including quotations from counterparties, pricing services, brokers or market makers. The unrealized appreciation or depreciation related to the change in the valuation of the notional amount of the swap is combined with the amount due to the Fund at termination or settlement. The primary risks associated with total return swaps are credit risks (if the counterparty fails to meet its obligations) and market risk (if there is no liquid market for the swap or unfavorable changes occur to the underlying reference instrument).

Periodic payments made or received are recorded as realized gains or losses. At period end, the Statement of Assets and Liabilities reflect, if any, unrealized appreciation or depreciation and accrued periodic payments for swap contracts the Fund may have open at period end. Entering into swap contracts involve, to varying degrees, elements of credit, interest rate and market risk in excess of the amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these contracts, that the counterparty to the contract may default on its obligation to perform and that there may be unfavorable changes in market conditions or fluctuations in interest rates. Swap contracts outstanding at period end, if any, are listed on the Schedule of Investments. In connection with swap contracts, cash or securities may be segregated as collateral by the Funds custodian. As of April 30, 2017, the Fund has entered into total return swap contracts as shown on the Schedule of Investments.

There is the risk that the counterparty refuses to continue to enter into swap agreements with the Fund in the future, or requires increased fees, which could impair the Fund's ability to achieve its investment objective. A counterparty may also increase its collateral requirements, which may limit the Fund's ability to use leverage and reduce investment returns. In addition, if the Fund cannot locate a counterparty



willing to enter into transactions with the Fund, it will not be able to implement its investment strategy. As of April 30, 2017, the Fund's swap agreements were with one counterparty, Morgan Stanley & Co. LLC.

*Expenses* — Most expenses of the Trust can be directly attributed to a particular fund. Expenses which cannot be directly attributed to a particular fund are apportioned among the funds of the Trust based on the number of funds and/or relative net assets.

*Dividends and Distributions to Shareholders* — The Fund distributes substantially all of its net investment income annually. Any net realized capital gains are distributed annually. All distributions are recorded on ex-dividend date.

**3. Derivative Transactions:**

The following tables include the Fund's exposure by type of risk on derivatives held throughout the year.

The fair value of derivative instruments as of April 30, 2017, was as follows:

|   | Asset Derivatives<br>April 30, 2017<br>Statement of Assets and<br>Liability Location | Fair Value              | Liability Derivatives<br>April 30, 2017<br>Statement of Assets and<br>Liability Location | Fair Value              |
|---|--|-------------------------|--|-------------------------|
| <b>Derivatives not accounted for as hedging instruments:</b>      |  |                         |  |                         |
| Foreign exchange contracts  | Net Assets — Unrealized appreciation on futures contracts                            | \$158,721*              | Net Assets — Unrealized depreciation on futures contracts                                | \$ 17,159*              |
| Equity contracts  | Net Assets — Unrealized appreciation on futures contracts                            | 419,717*                | Net Assets — Unrealized depreciation on futures contracts                                | 54,903*                 |
|   | Net Assets — Unrealized appreciation on swap contracts                               | —†                      | Net Assets — Unrealized depreciation on swap contracts                                   | 38,943†                 |
| Interest rate contracts   | Net Assets — Unrealized appreciation on futures contracts                            | 91,449*                 | Net Assets — Unrealized depreciation on futures contracts                                | 115,154*                |
|   | Purchased options contracts, at Value  | 92,896                  | Purchased options contracts, at Value  | —                       |
|   | Written options contracts, at Value  | —                       | Written options contracts, at Value  | 158,415                 |
| Commodity contracts   | Net Assets — Unrealized appreciation on futures contracts                            | 171,690*                | Net Assets — Unrealized depreciation on futures contracts                                | 62,433*                 |
| <b>Total Derivatives not accounted for as hedging instruments</b> |  | <b><u>\$934,473</u></b> |  | <b><u>\$447,007</u></b> |

\* Includes cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments.

† Includes cumulative appreciation (depreciation) of swap contracts as reported in the Schedule of Investments. Market Value is reported within the Statement of Assets & Liabilities for swap contracts that have paid premiums.

The effect of derivative instruments on the Statement of Operations for the period ended April 30, 2017, was as follows:

The amount of realized gain (loss) on derivatives recognized in income:

| Derivatives Not Accounted for as Hedging Instruments | Futures Contracts | Swap Contracts | Purchased and Written Options | Total        |
|--|-------------------|----------------|-------------------------------|--------------|
| Foreign exchange contracts                           | \$ (101,824)      | \$ —           | \$ —                          | \$ (101,824) |
| Equity contracts                                     | 1,790,496         | 56,929         | (164,630)                     | 1,682,795    |
| Interest rate contracts                              | (59,786)          | —              | —                             | (59,786)     |
| Commodity contracts                                  | (561,149)         | —              | —                             | (561,149)    |
| Total  | \$1,067,737       | \$56,929       | \$(164,630)                   | \$ 960,036   |

Change in unrealized appreciation (depreciation) on derivatives recognized in income:

| Derivatives Not Accounted for as Hedging Instruments | Futures Contracts | Swap Contracts | Purchased and Written Options | Total     |
|--|-------------------|----------------|-------------------------------|-----------|
| Foreign exchange contracts                           | \$112,248         | \$ —           | \$ —                          | \$112,248 |
| Equity contracts                                     | 335,639           | (34,578)       | —                             | 301,061   |
| Interest rate contracts                              | 66,124            | —              | (48,080)                      | 18,044    |
| Commodity contracts                                  | 103,221           | —              | —                             | 103,221   |
| Total  | \$617,232         | \$(34,578)     | \$(48,080)                    | \$534,574 |

Written option transactions entered into during the period ended April 30, 2017 are summarized as follows:

|                                | Number of Contracts | Premium     |
|--------------------------------|---------------------|-------------|
| Balance as of October 31, 2016 | 406                 | \$ 233,823  |
| Written                        | 2,680               | 2,473,430   |
| Expired                        | (13)                | (6,112)     |
| Closing buys                   | (2,899)             | (2,520,951) |
| Balance as of April 30, 2017   | 174                 | \$ 180,190  |

For the six months ended April 30, 2017, the average notional amount of derivatives held was as follows:

|                                |              |
|--------------------------------|--------------|
| <b>Futures Contracts:</b>      |              |
| Average Notional Balance Long  | \$50,825,327 |
| Average Notional Balance Short | 63,051,726   |
| <b>Options:</b>                |              |
| Average Notional Balance Long  | \$ 113,837   |
| Average Notional Balance Short | 342,334      |
| <b>Swaps:</b>                  |              |
| Average Notional Balance Long  | \$ 671,702   |
| Average Notional Balance Short | 964,785      |

**4. Offsetting Assets and Liabilities:**

The Fund is required to disclose the impact of offsetting assets and liabilities represented in the Statement of Assets and Liabilities to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of setoff criteria: the amounts owed by the Fund to another party are determinable, the Fund has the right to set off the amounts owed with the amounts owed by the other party, the Fund intends to set off, and the Fund's right of setoff is enforceable at law.

As of April 30, 2017, the Fund's financial instruments and derivative instruments are not subject to a master netting arrangement.

**5. Transactions with Affiliates:**

Certain officers of the Trust are also employees of SEI Investments Global Funds Services (the "Administrator"), a wholly owned subsidiary of SEI Investments Company, and/or SEI Investments Distribution Co. (the "Distributor"). Such officers are paid no fees by the Trust, other than the Chief Compliance Officer ("CCO") as described below, for serving as officers of the Trust.

The services provided by the ("CCO") and his staff are paid for by the Trust as incurred. The services include regulatory oversight of the Trust's Advisors and service providers as required by SEC regulations. The CCO's services and fees have been approved by and are reviewed by the Board.

**6. Administration, Distribution, Shareholder Servicing, Custodian and Transfer Agent Agreements:**

The Fund and the Administrator are parties to an Administration Agreement under which the Administrator provides administration services to the Fund. For these services, the Administrator is paid an asset based fee, which will vary depending on the number of share classes and the average daily net assets of the Fund. For the period ended April 30, 2017, the Fund paid \$111,473 for these services.

The Fund has adopted the Distribution Plan (the "Plan") for the Investor Class Shares. Under the Plan, the Distributor, or third parties that enter into agreements with the Distributor, may receive up to 0.25% of the Fund's average daily net assets attributable to Investor Class Shares. Under the Plan, the Distributor may make payments pursuant to written agreements to financial institutions and intermediaries such as banks, savings and loan associations and insurance companies including, without limit, investment counselors, broker-dealers and the Distributor's affiliates and subsidiaries (collectively, "Agents") as

compensation for services and reimbursement of expenses incurred in connection with distribution assistance. The Plan is characterized as a compensation plan since the distribution fee will be paid to the Distributor without regard to the distribution expenses incurred by the Distributor or the amount of payments made to other financial institutions and intermediaries. The Trust intends to operate the Plan in accordance with its terms and with the Financial Industry Regulatory Authority ("FINRA") rules concerning sales charges.

The Fund has adopted a shareholder servicing plan (the "Service Plan") under which a shareholder servicing fee of up to 0.10% of average daily net assets of Investor Class Shares of the Fund will be paid to other service providers. Certain brokers, dealers, banks, trust companies and other financial representatives receive compensation from the Fund for providing a variety of services, including record keeping and transaction processing. Such fees are based on the assets of the Fund that are serviced by the financial representative. Such fees are paid by the Fund to the extent that the number of accounts serviced by the financial representative multiplied by the account fee charged by the Fund's transfer agent would not exceed the amount that would have been charged had the accounts serviced by the financial representative been registered directly through the transfer agent. All fees in excess of this calculated amount are paid by the Adviser. These fees are disclosed on the Statement of Operations as Shareholder Servicing Fees.

MUFG Union Bank, N.A. acts as custodian (the "Custodian") for the Fund. The Custodian plays no role in determining the investment policies of the Fund or which securities are to be purchased or sold by the Fund.

DST Systems, Inc. serves as the transfer agent and dividend disbursing agent for the Fund under a transfer agency agreement with the Trust.

#### **7. Investment Advisory Agreement:**

Under the terms of an investment advisory agreement, the Adviser provides investment advisory services to the Fund at a fee calculated at an annual rate of 1.75% of the Fund's average daily net assets. The Adviser has contractually agreed to reduce fees and reimburse expenses to the extent necessary to keep total annual fund operating expenses after fee reductions and/or expense reimbursements (excluding any class specific expenses, dividend and interest expenses on securities sold short, interest, taxes, acquired fund fee expenses and non-routine expenses) from exceeding 2.50% with respect to Institutional Class Shares and Investor Class Shares of the Fund's average daily net assets until February 28, 2018 (the "Expense Limitation"). The Adviser may recover all or a portion of its fee reductions or expense reimbursements, up to the expense cap in place at the time the expenses were waived, within a three-year period from the year in which it reduced its fee or reimbursed expenses if the Fund's total annual fund operating expenses are below the Expense Limitation. This agreement may be terminated by the Board for any reason at any time, or by

the Adviser, upon ninety (90) days' prior written notice to the Trust, effective as of the close of business on February 28, 2018. As of April 30, 2017, the fees which were previously waived by the Adviser which may be subject to possible future reimbursement, up to the expense cap in place at the time the expenses were waived, to the Adviser were \$135,556 expiring in 2017, \$361,441 expiring in 2018, \$169,442 expiring in 2019 and \$114,156 expiring in 2020.

The Adviser employs a "multi-manager" approach, whereby it selects sub-advisers (the "Sub-Advisers") that use a variety of alternative investment strategies to manage the Fund's assets and allocates the Fund's assets among those Sub-Advisers. The Adviser is responsible for the investment performance of the Fund, since it allocates the Fund's assets to the sub-advisers and recommends hiring or changing sub-advisers to the Board. The Adviser has ultimate responsibility (subject to oversight by the Board) to oversee the Sub-Advisers and recommend their hiring, termination, and replacement.

As of April 30, 2017 the Adviser has entered into investment sub-advisory agreements with the following parties and pays the Sub-Advisers out of the fee that it receives from the Fund:

**Investment Sub-Advisers**

- Acadian Asset Management LLC
- Ellington Management Group, L.L.C.
- Karya Capital Management LP
- Mizuho Alternative Investments, LLC

**8. Investment Transactions:**

For the period ended April 30, 2017, the Fund made purchases of \$12,421,843 and sales of \$7,345,681 in investment securities other than long-term U.S. Government and short-term securities. The cost of purchases to cover securities sold short and the proceeds from securities sold short were \$99,345,580 and \$91,427,334, respectively, for the period ended April 30, 2017. There were no purchases or sales of long-term U.S. Government securities.

**9. Federal Tax Information:**

The amount and character of income and capital gain distributions to be paid, if any, are determined in accordance with Federal income tax regulations, which may differ from U.S. GAAP. These differences are primarily due to differing book and tax treatments for foreign currency transactions, net operating loss, investments in passive foreign investment companies, REIT adjustments and dividend expense tax adjustments on short securities.

The tax character of dividends and distributions declared during the years ended October 31, 2016 and October 31, 2015 were as follows:

|      | <u>Ordinary Income</u> | <u>Long-Term Capital<br/>Gain</u> | <u>Return of Capital</u> | <u>Total</u> |
|------|------------------------|-----------------------------------|--------------------------|--------------|
| 2016 | \$ 2,771,931           | \$ 578,064                        | \$ 310                   | \$ 3,350,305 |
| 2015 | —                      | —                                 | —                        | —            |

As of October 31, 2016, the components of Accumulated Losses on a tax basis were as follows:

|                             |                             |
|-----------------------------|-----------------------------|
| Capital Loss Carryforwards  | \$ (824,369)                |
| Late-Year Loss Deferral     | (895,601)                   |
| Unrealized Depreciation     | (1,230,649)                 |
| Other Temporary Differences | (13,775)                    |
| Total Accumulated Losses    | <u><u>\$(2,964,394)</u></u> |

Under the Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law. Losses carried forward under these new provisions are as follows:

|                        |
|------------------------|
| <u>Short-Term Loss</u> |
| \$(824,369)            |

Late-year loss deferrals represent ordinary losses realized on investment transactions from January 1, 2016 through October 31, 2016, that, in accordance with Federal income tax regulations, the Fund defers and treats as having arisen in the following fiscal year.

The Federal tax cost and aggregate gross unrealized appreciation and depreciation for the investments held (excluding foreign currency, written options, swap contracts and futures contracts) by the Fund at April 30, 2017, were as follows:

| <u>Federal Tax Cost</u> | <u>Aggregate<br/>Gross<br/>Unrealized<br/>Appreciation</u> | <u>Aggregate<br/>Gross<br/>Unrealized<br/>Depreciation</u> | <u>Net<br/>Unrealized<br/>Appreciation</u> |
|-------------------------|--|--|--|
| \$ 52,422,666           | \$ 1,412,295   | \$ (520,196)   | \$ 892,099                                 |

The Federal tax cost and aggregate gross unrealized appreciation and depreciation for securities sold short held by the Fund at April 30, 2017, were as follows:

| <u>Federal Tax Cost</u> | <u>Aggregate<br/>Gross<br/>Unrealized<br/>Appreciation</u> | <u>Aggregate<br/>Gross<br/>Unrealized<br/>Depreciation</u> | <u>Net<br/>Unrealized<br/>Depreciation</u> |
|-------------------------|--|--|--|
| \$ (21,236,230)         | \$ 423,288   | \$ (1,364,312)   | \$ (941,024)                               |

**10. Concentration of Risks:**

As with all management investment companies, a shareholder of the Fund is subject to the risk that his or her investment could lose money. The Fund is subject to the principal risks noted below, any of which may adversely affect the Fund's net asset value ("NAV") and ability to meet its investment objective.

**COMMODITY-LINKED DERIVATIVES RISK** — Investments in commodity-linked derivatives may be more volatile and less liquid than direct investments in the underlying commodities themselves. Commodity-related derivative returns can also be affected by the issuer's financial structure or the performance of unrelated businesses. In addition, investments in commodity-linked derivatives may be subject to greater volatility than non-derivative based investments. A highly liquid secondary market may not exist for certain commodity-linked derivatives, and there can be no assurance that one will develop.

**CREDIT RISK** — The risk that the issuer of a security or the counter-party to a contract will default or otherwise become unable to honor a financial obligation.

**CURRENCY RISK** — As a result of the Fund's investments in securities or other investments denominated in, and/or receiving revenues in, foreign currencies, the Fund will be subject to currency risk. Currency risk is the risk that foreign currencies will decline in value relative to the U.S. dollar or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency hedged. In either event, the dollar value of an investment in the Fund would be adversely affected.

**DERIVATIVES RISK** — The Fund's use of futures contracts for all purposes, including speculative purposes, is subject to market risk, leverage risk, correlation risk and liquidity risk. In addition, the Fund's use of derivatives for hedging purposes is subject to hedging risk. Market risk and leverage risk are described below. Correlation risk is the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Liquidity risk is the risk that certain securities may be difficult or impossible to sell at the time and the price that the Fund would like. The Fund may have to lower the price, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on Fund management or performance. Hedging risk is the risk that derivatives instruments used for hedging purposes may also limit any potential gain that may result from the increase in value of the hedged asset. Credit risk is described above. Each of these risks could cause the Fund to lose more than the principal amount invested in a derivative instrument.

**FOREIGN EXPOSURE/EMERGING MARKETS RISK** — The risk that non-U.S. securities may be subject to additional risks due to, among other things, political, social and economic developments abroad, currency movements and different legal, regulatory and tax environments. These additional risks may be heightened with respect to emerging market countries since political turmoil and rapid changes in economic conditions are more likely to occur in these countries.

**LEVERAGE RISK** — The use of leverage can amplify the effects of market volatility on the Fund's share price and may also cause the Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations.

**SHORT SALE RISK** — A short sale involves the sale of a security that the Fund does not own in the expectation of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. Short sales expose the Fund to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the Fund. Investment in short sales may also cause the Fund to incur expenses related to borrowing securities. Reinvesting proceeds received from short selling may create leverage which can amplify the effects of market volatility on the Fund and, therefore, the Fund's share prices. Theoretically, uncovered short sales have the potential to expose the Fund to unlimited losses.

**TAX RISK** — The Fund will seek to restrict its income from direct investments in commodity-linked derivative instruments that do not generate qualifying income to a maximum of 10% of its gross income (when combined with its other investments that produce non-qualifying income) to comply with certain qualifying income tests necessary for the Fund to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. The tax treatment of certain commodity-linked derivative instruments may be affected by future regulatory or legislative changes that could affect the character, timing and/or amount of the Fund's taxable income or gains and distributions.

### 11. Other:

At April 30, 2017, the percentage of total shares outstanding held by shareholders for each Fund, which are comprised of individual shareholders and omnibus accounts that are held on behalf of various individual shareholders was as follows:

|   | <u>No. of<br/>Shareholders</u> | <u>%<br/>Ownership</u> |
|---|--------------------------------|------------------------|
| Fiera Capital Diversified Alternatives Fund, Institutional Class Shares | 1                              | 89%                    |
| Fiera Capital Diversified Alternatives Fund, Investor Class Shares      | 2                              | 99%                    |

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be established; however, based on experience, the risk of loss from such claim is considered remote.

### 12. Regulatory Matters

In October 2016, the SEC released its Final Rule on Investment Company Reporting Modernization (the "Rule"). The Rule which introduces two new regulatory reporting forms for investment companies — Form N-PORT and Form N-CEN — also contains amendments to



Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impact of the Rule, management believes that many of the Regulation S-X amendments are consistent with the Fund's current financial statement presentation and expects that the Fund will be able to comply with the Rule's Regulation S-X amendments by the August 1, 2017 compliance date.

**13. Subsequent Events:**

The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no additional disclosures and/or adjustments were required to the financial statements as of April 30, 2017.

**DISCLOSURE OF FUND EXPENSES**

All mutual funds have operating expenses. As a shareholder of a mutual fund, your investment is affected by these ongoing costs, which include (among others) costs for Fund management, administrative services, and shareholder reports like this one. It is important for you to understand the impact of these costs on your investment returns.

Operating expenses such as these are deducted from the mutual fund's gross income and directly reduce your final investment return. These expenses are expressed as a percentage of the mutual fund's average net assets; this percentage is known as the mutual fund's expense ratio.

The following examples use the expense ratio and are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period from November 1, 2016 to April 30, 2017.

The table on the next page illustrates your Fund's costs in two ways:

- **Actual Fund Return.** This section helps you to estimate the actual expenses after fee waivers that your Fund incurred over the period. The "Expenses Paid During Period" column shows the actual dollar expense cost incurred by a \$1,000 investment in the Fund, and the "Ending Account Value" number is derived from deducting that expense cost from the Fund's gross investment return.

You can use this information, together with the actual amount you invested in the Fund, to estimate the expenses you paid over that period. Simply divide your ending starting account value by \$1,000 to arrive at a ratio (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply that ratio by the number shown for your Fund under "Expenses Paid During Period."

- **Hypothetical 5% Return.** This section helps you compare your Fund's costs with those of other mutual funds. It assumes that the Fund had an annual 5% return before expenses during the year, but that the expense ratio (Column 3) for the period is unchanged. This example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to make this 5% calculation. You can assess your Fund's comparative cost by comparing the hypothetical result for your Fund in the "Expense Paid During Period" column with those that appear in the same charts in the shareholder reports for other mutual funds.

**Note:** Because the return is set at 5% for comparison purposes — NOT your Fund’s actual return — the account values shown may not apply to your specific investment.

|   | <b>Beginning<br/>Account<br/>Value<br/>11/1/16</b> | <b>Ending<br/>Account<br/>Value<br/>04/30/17</b> | <b>Annualized<br/>Expense<br/>Ratios</b> | <b>Expenses<br/>Paid<br/>During<br/>Period*</b> |
|---|--|--|--|---|
| <i>Fiera Capital Diversified Alternatives Fund — Institutional Class Shares</i> |  |  |  |   |
| <b>Actual Portfolio Return</b>  | \$1,000.00   | \$1,011.40                                       | 3.14%                                    | \$15.67   |
| <b>Hypothetical 5% Return</b>   | 1,000.00   | 1,009.21   | 3.14                                     | 15.65   |
| <i>Fiera Capital Diversified Alternatives Fund — Investor Class Shares</i>      |  |  |  |   |
| <b>Actual Portfolio Return</b>  | \$1,000.00   | \$1,012.60                                       | 3.43%                                    | \$17.13   |
| <b>Hypothetical 5% Return</b>   | 1,000.00   | 1,007.77   | 3.43                                     | 17.09   |

\* Expenses are equal to the Fund’s annualized expense ratio (including dividend and interest expense on short sales), multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period shown.)

**APPROVAL OF INVESTMENT ADVISORY AGREEMENT****BOARD CONSIDERATIONS IN APPROVING THE ACADIAN ASSET MANAGEMENT LLC SUB-ADVISORY AGREEMENT FOR THE FIERA CAPITAL DIVERSIFIED ALTERNATIVES FUND**

Pursuant to Section 15 of the Investment Company Act of 1940 (the "1940 Act"), the Fund's sub-advisory agreements must be approved: (i) by a vote of a majority of the shareholders of the Fund; and (ii) by the vote of a majority of the members of the Board of Trustees (the "Board" or the "Trustees") of The Advisors' Inner Circle Fund III (the "Trust") who are not parties to the agreements or "interested persons" of any party thereto, as defined in the 1940 Act (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval.

A Board meeting was held on September 15, 2016 (the "September Meeting") to decide whether to approve the sub-advisory agreement between Fiera Capital Inc. ("Fiera") and Acadian Asset Management LLC ("Acadian"), pursuant to which Acadian would serve as investment sub-adviser to the Fund (the "September Acadian Agreement").

In preparation for the September Meeting, the Trustees requested that Fiera and Acadian furnish information necessary to evaluate the terms of the September Acadian Agreement. The Trustees used this information, as well as other information that Fiera, Acadian and other service providers of the Fund presented or submitted to the Board at the September Meeting, to help them decide whether to approve the September Acadian Agreement for an initial two-year term.

Specifically, the Board requested and received written materials from Fiera, Acadian and other service providers of the Fund regarding: (i) the nature, extent and quality of the services to be provided by Acadian; (ii) Acadian's investment management personnel; (iii) Acadian's operations and financial condition; (iv) Acadian's brokerage practices (including any soft dollar arrangements) and investment strategies; (v) the proposed sub-advisory fee to be paid to Acadian; (vi) Acadian's compliance program, including a description of material compliance matters and material compliance violations; (vii) Acadian's policies on and compliance procedures for personal securities transactions; (viii) Acadian's investment experience; (ix) Fiera's rationale for recommending Acadian; and (x) Acadian's performance in managing similar accounts.

Representatives from Fiera and Acadian, along with other Fund service providers, presented additional information and participated in question and answer sessions at the September Meeting to help the Trustees evaluate Acadian's services, fee and other aspects of the September Acadian Agreement. The Independent Trustees received advice from independent counsel and met in executive session outside the presence of Fund management and Fiera and Acadian.

At the September Meeting, the Board, including a majority of the Independent Trustees, voting separately, approved the September Acadian Agreement. In considering the approval of the September Acadian Agreement, the Board considered various factors that they determined were relevant, including: (i) the nature, extent and quality of the services to be provided by Acadian; and (ii) the fee to be paid to Acadian, as discussed in further detail below.

### **Nature, Extent and Quality of Services Provided by Acadian**

In considering the nature, extent and quality of the services to be provided by Acadian, the Board reviewed the portfolio management services to be provided by Acadian to the Fund, including the quality and continuity of Acadian's portfolio management personnel, the resources of Acadian and Acadian's compliance history and compliance program. The Trustees reviewed the terms of the proposed September Acadian Agreement. The Trustees also reviewed Acadian's proposed investment and risk management approaches for the Fund. The Trustees considered that Fiera would supervise and monitor the performance of Acadian. The most recent investment adviser registration form ("Form ADV") for Acadian was provided to the Board, as was the response of Acadian to a detailed series of questions which included, among other things, information about the investment sub-advisory services to be provided by Acadian to the Fund.

The Trustees also considered other services to be provided to the Fund by Acadian such as selecting broker-dealers for executing portfolio transactions, monitoring adherence to the Fund's investment restrictions, and monitoring compliance with various Fund policies and procedures and with applicable securities laws and regulations. Based on the factors above, as well as those discussed below, the Board concluded, within the context of its full deliberations, that the nature, extent and quality of the services to be provided to the Fund by Acadian would be satisfactory.

### **Costs of Advisory Services**

In considering the sub-advisory fee payable by Fiera to Acadian, the Trustees reviewed, among other things, a report of the proposed sub-advisory fee to be paid to Acadian. The Trustees also reviewed the management fees charged by Acadian to other clients with comparable mandates. The Trustees considered any differences in management fees and took into account the respective demands, resources and complexity associated with the Fund and other client accounts as well as the extensive regulatory, compliance and tax regimes to which the Fund is subject. The Trustees also considered that Fiera, not the Fund, would pay Acadian pursuant to the September Acadian Agreement and that the fee payable to Acadian would reflect an arms-length negotiation between Fiera and Acadian. The Board concluded, within the context of its full deliberations, that the sub-advisory fee was reasonable in light of the nature and quality of the services expected to be rendered by Acadian. The Board also considered Acadian's commitment to sub-advising the Fund.

**Investment Performance, Profitability and Economies of Scale**

Because Acadian is new to the Fund and had not managed Fund assets, it did not yet have an investment performance record with respect to the Fund and it was not possible to determine the profitability that Acadian might achieve with respect to the Fund or the extent to which economies of scale would be realized by Acadian as the assets of the Fund grow. Accordingly, the Trustees did not make any conclusions regarding Acadian's investment performance with respect to the Fund, Acadian's profitability, or the extent to which economies of scale would be realized by Acadian as the assets of the Fund grow, but will do so during future considerations of the September Acadian Agreement.

**Approval of the September Acadian Agreement**

Based on the Board's deliberations and its evaluation of the information described above and other factors and information it believed relevant in the exercise of its reasonable business judgment, the Board, including all of the Independent Trustees, with the assistance of Fund counsel and Independent Trustees' counsel, unanimously concluded that the terms of the September Acadian Agreement, including the fee to be paid thereunder, were fair and reasonable and agreed to approve the September Acadian Agreement for an initial term of two years. In its deliberations, the Board did not identify any absence of information as material to its decision, or any particular factor (or conclusion with respect thereto) or single piece of information that was all-important, controlling or determinative of its decision, but considered all of the factors together, and each Trustee may have attributed different weights to the various factors (and conclusions with respect thereto) and information.

**BOARD CONSIDERATIONS IN APPROVING THE ACADIAN ASSET MANAGEMENT LLC AND KARYA CAPITAL MANAGEMENT LP AMENDED AND RESTATED SUB-ADVISORY AGREEMENTS FOR THE FIERA CAPITAL DIVERSIFIED ALTERNATIVES FUND**

Pursuant to Section 15 of the 1940 Act, the Fund's sub-advisory agreements must be approved: (i) by a vote of a majority of the shareholders of the Fund; and (ii) by the vote of a majority of the Independent Trustees, cast in person at a meeting called for the purpose of voting on such approval.

A Board meeting was held on December 8, 2016 (the "December Meeting") to decide whether to approve the following amended and restated sub-advisory agreements with respect to the Fund (the "December Agreements") for initial two-year terms: 1) the sub-advisory agreement between Fiera and Acadian; and 2) the sub-advisory agreement between Fiera and Karya Capital Management LP ("Karya") (each of Acadian and Karya, a "Sub-Adviser" and, collectively, the "Sub-Advisers"). Fiera proposed amending the September Acadian Agreement and its sub-advisory agreement with Karya that was approved at a Board

meeting held on July 11, 2016 (the "July Meeting") (the "July Karya Agreement") to contemplate the Sub-Advisers' participation in a capital allocation program. The capital allocation program allows the excess cash held by one Fund sub-adviser ("Sub-Adviser A") to be reallocated to another sub-adviser ("Sub-Adviser B") at the direction of Fiera and provides that Fiera will compensate both Sub-Adviser A and Sub-Adviser B without regard to the amount of excess cash allocated from Sub-Adviser A or allocated to Sub-Adviser B.

At the December Meeting, the Board reviewed the terms of the December Agreements reflecting the implementation of the capital allocation program. As part of its analysis of the terms of the December Agreements, the Board considered a memorandum from Fiera describing its rationale (a) for the implementation of the capital allocation program, and (b) for not changing the amount of assets for which the Sub-Advisers are compensated for managing to reflect the allocation of the excess cash between Sub-Adviser A and Sub-Adviser B. The Board further took into account that Fiera, not the Fund, would pay the Sub-Advisers pursuant to the December Agreements and the fee rate to be paid to the Sub-Advisers was not changing in connection with the December Agreements. Based on the Board's deliberations and its evaluation of the information described above and other factors and information it believed relevant in the exercise of its reasonable business judgment, the Board, including all of the Independent Trustees, with the assistance of Fund counsel and Independent Trustees' counsel, unanimously concluded that it was reasonable to take into account the conclusions that the Board made when considering and evaluating the approval of the September Acadian Agreement at the September Meeting and the July Karya Agreement at the July Meeting as part of its considerations to approve the December Agreements, including the Board's conclusion that, within the context of its full deliberations at the July Meeting and the September Meeting, the advisory fees to be paid under the July Karya Agreement and September Acadian Agreement were reasonable in light of the nature and quality of the services expected to be rendered by the Sub-Advisers.

The discussion above under the heading "Board Considerations in Approving the Acadian Asset Management LLC Sub-Advisory Agreement for the Fiera Capital Diversified Alternatives Fund" outlines the materials and information presented to the Board in connection with the Board's approval of the September Acadian Agreement at the September Meeting and the conclusions made by the Board when determining to approve the September Acadian Agreement.

The following discussion outlines the materials and information presented to the Board in connection with the Board's approval of the July Karya Agreement at the July Meeting and the conclusions made by the Board when determining to approve the July Karya Agreement.

In preparation for the July Meeting, the Trustees requested that Fiera furnish information necessary to evaluate the terms of the July Karya Agreement. The Trustees used this

information, as well as other information that Fiera and Karya presented or submitted to the Board at the July Meeting and other meetings, to help them decide whether to approve the July Karya Agreement for an initial two-year term.

At the July Meeting, the Board considered the terms of the July Karya Agreement, and noted that the terms of the July Karya Agreement were substantially the same as the sub-advisory agreement between Rothschild Larch Lane Management Company LLC ("RLL"), the Fund's initial investment adviser, and Karya that was last renewed at a Board meeting held on June 23, 2016 (the "June Meeting") (the "June Karya Agreement"), except for the investment adviser and the date. The Board also noted that the same personnel of Karya would continue to serve as portfolio managers of the Fund. The Board therefore determined that it was reasonable to take into account the conclusions the Board made when considering and evaluating the renewal of the June Karya Agreement, as part of its considerations to approve the July Karya Agreement.

The following discussion outlines the materials and information presented to the Board in connection with the Board's renewal of the June Karya Agreement at the June Meeting, and the conclusions made by the Board when determining to renew the June Karya Agreement for an additional one-year term.

In preparation for the June Meeting, the Trustees requested that RLL and Karya furnish information necessary to evaluate the terms of the June Karya Agreement. Prior to the June Meeting, the Independent Trustees met to review and discuss the information provided and submitted a request for additional information to RLL and Karya, and information was provided in response to this request. The Trustees used this information, as well as other information that RLL, Karya and other service providers of the Fund presented or submitted to the Board at the June Meeting and other meetings held during the prior year, to help them decide whether to renew the June Karya Agreement for an additional year.

Specifically, the Board requested and received written materials from RLL, Karya and other service providers of the Fund regarding: (i) the nature, extent and quality of Karya's services; (ii) Karya's investment management personnel; (iii) Karya's operations and financial condition; (iv) Karya's brokerage practices (including any soft dollar arrangements) and investment strategies; (v) the sub-advisory fee paid to Karya and the Fund's overall fees and operating expenses compared with a peer group of mutual funds; (vi) the level of Karya's profitability from its relationships with the Fund, including both direct and indirect benefits accruing to Karya and its affiliates; (vii) Karya's potential economies of scale; (viii) Karya's compliance program, including a description of material compliance matters and material compliance violations; (ix) Karya's policies on and compliance procedures for personal securities transactions; and (x) the Fund's performance compared with a peer group of mutual funds and the Fund's benchmark indices.



Representatives from RLL and Karya, along with other Fund service providers, presented additional information and participated in question and answer sessions at the June Meeting to help the Trustees evaluate Karya's services, fee and other aspects of the June Karya Agreement. The Independent Trustees received advice from independent counsel and met in executive sessions outside the presence of Fund management, RLL and Karya.

At the June Meeting, the Trustees, including all of the Independent Trustees, based on their evaluation of the information provided by RLL, Karya and other service providers of the Fund, renewed the June Karya Agreement. In considering the renewal of the June Karya Agreement, the Board considered various factors that they determined were relevant, including: (i) the nature, extent and quality of the services provided by Karya; (ii) the investment performance of the Fund and Karya; (iii) the costs of the services provided and profits realized by Karya from its relationships with the Fund, including both direct and indirect benefits accruing to Karya and its affiliates; (iv) the extent to which economies of scale are being realized by Karya; and (v) whether fee levels reflect such economies of scale for the benefit of Fund investors, as discussed in further detail below.

### **Nature, Extent and Quality of Services Provided by Karya**

In considering the nature, extent and quality of the services provided by Karya, the Board reviewed the portfolio management services provided by Karya to the Fund, including the quality and continuity of Karya's portfolio management personnel, the resources of Karya, and Karya's compliance history and compliance program. The Trustees reviewed the terms of the June Karya Agreement. The Trustees also reviewed Karya's investment and risk management approaches for the Fund. The Trustees considered that RLL supervises and monitors the performance of Karya. The most recent investment adviser registration form ("Form ADV") for Karya was provided to the Board, as were the responses of Karya to a detailed series of questions which included, among other things, information about the investment sub-advisory services provided by Karya to the Fund.

The Trustees also considered other services provided to the Fund by Karya such as selecting broker-dealers for executing portfolio transactions, monitoring adherence to the Fund's investment restrictions, and monitoring compliance with various Fund policies and procedures and with applicable securities laws and regulations. Based on the factors above, as well as those discussed below, the Board concluded, within the context of its full deliberations, that the nature, extent and quality of the services provided to the Fund by Karya were sufficient to support renewal of the June Karya Agreement.

### **Investment Performance of the Fund and Karya**

The Board was provided with regular reports regarding the Fund's performance, and Karya's contribution thereto, over various time periods, including since its inception. The Trustees

also reviewed reports prepared by the Fund's administrator comparing the Fund's performance to its benchmark indices and a peer group of mutual funds as classified by Lipper, an independent provider of investment company data, over various periods of time. Representatives from Karya provided information regarding and led discussions of factors impacting the performance of the Fund, outlining current market conditions and explaining their expectations and strategies for the future. The Trustees determined that the Fund's performance was satisfactory, or, where the Fund's performance was materially below its benchmarks and/or peer group, the Trustees were satisfied by the reasons for the underperformance and/or the steps taken by Karya in an effort to improve the performance of the Fund. Based on this information, the Board concluded, within the context of its full deliberations, that the investment results that Karya had been able to achieve for the Fund were sufficient to support renewal of the June Karya Agreement.

### **Costs of Advisory Services, Profitability and Economies of Scale**

In considering the sub-advisory fee payable by RLL to Karya, the Trustees reviewed, among other things, a report of the sub-advisory fee paid to Karya. The Trustees also reviewed reports prepared by the Fund's administrator comparing the Fund's net and gross expense ratios and advisory fees to those paid by a peer group of mutual funds as classified by Lipper. The Trustees reviewed the management fees charged by Karya to other clients with comparable mandates. The Trustees considered any differences in management fees and took into account the respective demands, resources and complexity associated with the Fund and other client accounts as well as the extensive regulatory, compliance and tax regimes to which the Fund is subject. The Trustees also considered that the fee payable to Karya reflected an arms-length negotiation between RLL and Karya. The Board concluded, within the context of its full deliberations, that the sub-advisory fee was reasonable in light of the nature and quality of the services rendered by Karya.

The Trustees reviewed the costs of services provided by and the profits realized by Karya from its relationship with the Fund, including both direct benefits and indirect benefits, such as research and brokerage services received under soft dollar arrangements, accruing to Karya and its affiliates. The Trustees considered how Karya's profitability was affected by factors such as its organizational structure and method for allocating expenses. The Trustees concluded that the profit margin of Karya with respect to the sub-advisement of the Fund was not unreasonable. The Board also considered Karya's commitment to sub-advising the Fund.

The Trustees considered Karya's views relating to economies of scale in connection with the Fund as Fund assets grow and the extent to which the benefits of any such economies of scale are shared with the Fund and Fund shareholders. The Board considered the existence of any economies of scale and whether those were passed along to the Fund's shareholders

through a graduated advisory fee schedule or other means, including fee waivers, even though the Board noted that RLL, not the Fund, paid Karya pursuant to the June Karya Agreement. The Trustees recognized that economies of scale are difficult to identify and quantify and are rarely identifiable on a fund-by-fund basis. Based on this evaluation, the Board concluded that the sub-advisory fee was reasonable in light of the information that was provided to the Trustees by Karya with respect to economies of scale.

**Approval of the December Agreements**

Based on the Board's deliberations and its evaluation of the information described above and other factors and information it believed relevant in the exercise of its reasonable business judgment, the Board, including all of the Independent Trustees, with the assistance of Fund counsel and Independent Trustees' counsel, unanimously concluded that the terms of the December Agreements, including the fees to be paid thereunder, were fair and reasonable and agreed to approve the December Agreements for initial terms of two years. In its deliberations, the Board did not identify any absence of information as material to its decision, or any particular factor (or conclusion with respect thereto) or single piece of information that was all-important, controlling or determinative of its decision, but considered all of the factors together, and each Trustee may have attributed different weights to the various factors (and conclusions with respect thereto) and information.

**Fiera Capital Diversified Alternatives Fund**

P.O. Box 219009  
Kansas City, MO 64121-9009  
1-844-755-3863

**Investment Adviser:**

Fiera Capital Inc.  
375 Park Avenue, 8<sup>th</sup> Avenue  
New York, NY 10152

**Administrator:**

SEI Investments Global Funds Services  
One Freedom Valley Drive  
Oaks, PA 19456

**Distributor:**

SEI Investments Distribution Co.  
One Freedom Valley Drive  
Oaks, PA 19456

**Legal Counsel:**

Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103

This information must be preceded or accompanied by a current prospectus for the Fund described.