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# **FMC SELECT FUND**

**Ticker Symbol: FMSLX**

**Semi-Annual Report**  
**April 30, 2018**

*Advised By:*  
**FIRST  
MANHATTAN  
CO.**

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Dear Shareholder:

The FMC Select Fund (the "Fund") had a total return of -2.14% for the six months ended April 30, 2018. This compared to the benchmark S&P 500 Composite Index which returned 3.82% for the period.

Since inception in May 1995, the Fund's annualized total rate of return is 8.97% versus 8.93% for the Fund's benchmark. Cumulative returns since inception are 619.75% for the Fund versus 615.10% for the benchmark. As of April 30, 2018, 94.4% of the Fund's assets were invested in equities.

The Fund was fairly active over the last six month period with several new buys and some sells. Early in the period, we sold all of our holdings in Kraft Heinz when it hit our price target in the high 70's as we believe much of the company's potential growth had been reflected in the stock price. We also continued to trim many of our consumer staples companies including CVS, Nestle, Anheuser Busch Inbev and Reckitt Benckiser. These have been long term, successful investments for us, but they were beginning to make up a disproportionate percentage of the Fund. While we like the overall compounding nature of these companies, we also recognize that the retail landscape is changing as are consumers' preferences for organic, healthy and niche food brands.

We added two new companies to the Fund this past period – Martin Marietta Materials (MLM) and TE Connectivity (TEL). Martin Marietta Materials, Inc. engages in the provision of aggregates including crushed stone, sand, and gravel through its network of quarries and distribution yards. MLM has leading market positions in some of the fastest growing states such as Texas, Colorado and Florida. Overall aggregates volumes are still 30% below their prior peak (2005) even as the housing and non-residential construction markets have meaningfully improved. Congress has passed the FAST Act which provides \$300 billion in funding for state projects and the Trump Administration has made infrastructure investment one of its key priorities. The company recently completed the acquisition of Bluegrass Materials, the largest privately-held, pure-play aggregates company in the United States. This is expected to give the company 125 years of high-quality reserves serving the higher growth regions in the Southeast and Mid-Atlantic states.

Our other new investment, TE Connectivity Ltd. (TEL), is one of the largest manufacturers of electrical connectors and sensors. These components are used to pass signals or electricity between any two electric-powered devices or components, and to gather data from the surrounding environment. In our opinion, TEL is well positioned to benefit from the growth of electrical content within vehicles resulting from safety and infotainment penetration; the growth of electric vehicles; and the growth of autonomous driving. TEL also serves the aerospace, communications and industrial markets with both connectors and sensors – typically with products designed for harsh environments. The company trades at 17.5x 2018 earnings estimates with a 5% free cash flow yield. Capital allocation is shareholder friendly with about one third of free cash flow targeted towards each of M&A, buybacks and dividends.

The global economic backdrop continues to be fairly supportive of growth, with the US leading the pack in terms of size and stability. In our many meetings with C-suite executives across varied industries, we continue to hear positive anecdotes about prospects for growth around the world. Unemployment in the US has reached record lows, interest rates

are relatively benign, consumer spending is healthy and credit markets are stable. There are valid concerns about the potential for a trade war between the US, China and the EU, and we are mindful of negative interest rates in Europe distorting markets. Tax cuts in the US along with regulatory reform should continue to provide a boost to corporate profits, employment growth and consumer spending.

As prices for quality assets have steadily risen, it has become increasingly difficult to find value in today's market. We remain focused on finding good businesses that fit with our long term, value-oriented philosophy.

Thank you for your continued trust and confidence.

Sincerely,



Timothy Muccia

*Performance through March 31, 2018 is 6.52% (one year), 6.48% (annualized five year) and 5.50% (annualized 10 year). The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-877-362-4099.*

*The information provided herein represents the opinion of the manager at a specific point in time and is not intended to be a forecast of future events, a guarantee of future results nor investment advice.*

*Investing involves risk including loss of principal. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. Holdings are subject to change.*

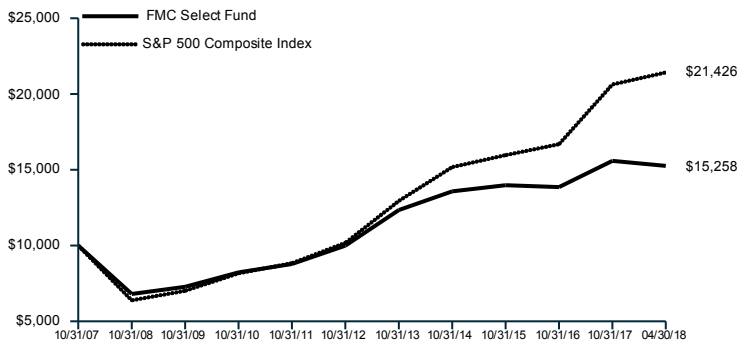
*Dividend Yield – A financial ratio that shows how much a company pays out in dividends each year relative to its share price. A company may reduce or eliminate its dividend, causing losses to the fund.*

#### Definition of Comparative Index

*The S&P 500 Composite Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the stock market through changes in the aggregate market value of 500 stocks representing all major industries.*

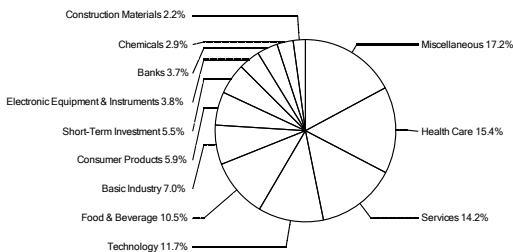
## Comparison of Change in the Value of a \$10,000 Investment in the FMC Select Fund versus the S&P 500 Composite Index (Unaudited)

AVERAGE ANNUAL TOTAL RETURN <sup>(1)</sup> FOR THE PERIOD ENDED APRIL 30, 2018						
	Six Month Return	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception Return*
FMC Select Fund	-2.14%	4.00%	1.82%	5.87%	5.01%	8.97%
S&P 500 Composite Index <sup>(2)</sup>	3.82%	13.27%	10.57%	12.96%	9.02%	9.37%
80/20 Hybrid of Referenced S&P and ICE BofAML Indices through June 30, 2007, S&P 500 Composite Index Forward <sup>(3)</sup>	3.82%	13.27%	10.57%	12.96%	9.02%	8.93%



- \* Fund commenced operations on May 8, 1995.
- (1) As stated in the Fund's prospectus, the annual fund operating expenses are 1.00%, not including acquired fund fees and expenses. The data quoted herein represents past performance; past performance does not guarantee future results. The return and value of an investment in the Fund will fluctuate so that, when redeemed, the investment may be worth less than its original cost. The Fund's performance assumes the reinvestment of all dividends and all capital gains. Index returns assume reinvestment of dividends and, unlike a fund's returns, do not include any fees or expenses. If such fees and expenses were included in the index returns, the performance of the index would have been lower. Please note that one cannot invest directly in an unmanaged index. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Fee waivers were applied during earlier periods; if they had not been in effect, performance would have been lower. For performance data current to the most recent month end, please call 1-877-FMC-4099 (1-877-362-4099).
  - (2) The S&P 500 Composite Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the stock market through changes in the aggregate market value of 500 stocks representing all major industries.
  - (3) Effective July 1, 2007, the blended performance represents 100% of the S&P 500 Composite Index. Prior to July 1, 2007, the blended performance represented an 80/20 blend of the S&P 500 and ICE BofAML 1-10 Year Corporate/Government Bond Indices. The ICE BofAML 1-10 Year Corporate/Government Bond Index is an index that tracks the performance of U.S. dollar-denominated investment grade Government and Corporate public debt issued in the U.S. domestic bond market which has greater than 1 year and less than 10 years to maturity, excluding collateralized products such as Mortgage Pass-Through and Asset-Backed securities.

### Portfolio Composition<sup>(4)</sup>



- (4) Portfolio composition percentages are based upon the total investments of the Fund as of April 30, 2018.

**Schedule of Investments****FMC Select Fund**

(Unaudited)

April 30, 2018

	Shares	Value (000)
<b>Common Stock (94.4%)</b>		
<b>Banks (3.7%)</b>		
Wells Fargo.....	140,000	\$ 7,274
<b>Basic Industry (7.0%)</b>		
Honeywell International .....	95,000	13,745
<b>Chemicals (3.0%)</b>		
PPG Industries .....	55,000	5,823
<b>Construction Materials (2.2%)</b>		
Martin Marietta Materials .....	22,000	4,285
<b>Consumer Products (5.9%)</b>		
Autozone*.....	9,500	5,933
Reckitt Benckiser Group(A) .....	73,000	5,733
		<u>11,666</u>
<b>Electronic Equipment &amp; Instruments (3.8%)</b>		
TE Connectivity .....	82,000	7,524
<b>Food &amp; Beverage (10.5%)</b>		
Dunkin' Brands Group .....	130,000	7,925
Nestle ADR.....	74,000	5,724
Yum! Brands .....	80,000	6,968
		<u>20,617</u>
<b>Health Care (15.4%)</b>		
CVS Health.....	89,400	6,243
Danaher.....	106,000	10,634
Johnson & Johnson .....	106,000	13,408
		<u>30,285</u>
<b>Miscellaneous (17.2%)</b>		
Berkshire Hathaway, Cl B* .....	81,550	15,799
Brookfield Asset Management, Cl A .....	262,000	10,386
Onex .....	102,000	7,576
		<u>33,761</u>

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

**Schedule of Investments**

**FMC Select Fund**

(Unaudited)

April 30, 2018

	Shares	Value (000)
<b>Services (14.2%)</b>		
Aramark .....	250,000	\$ 9,347
KAR Auction Services .....	200,000	10,398
Service Corporation International .....	224,200	<u>8,186</u>
		<u>27,931</u>
<b>Technology (11.7%)</b>		
Alphabet, CI A* .....	12,900	13,140
Apple .....	59,500	<u>9,833</u>
		<u>22,973</u>
<b>Total Common Stock</b>		
(Cost \$96,648) .....		<u>185,884</u>
<b>Short-Term Investment (5.5%)</b>		
Dreyfus Treasury Prime Cash Management Fund, CI I, 1.540%(B) .....		
(Cost \$10,813) .....	10,813,227	<u>10,813</u>
<b>Total Investments (99.9%)</b>		
(Cost \$107,461) .....		<u>\$ 196,697</u>

Percentages are based on Net Assets (in thousands) of \$196,827.

\* Non-income producing security.

(A) Security is traded on a foreign stock exchange

(B) The rate shown is the 7-day effective yield as of April 30, 2018.

ADR — American Depositary Receipt

CI — Class

As of April 30, 2018, all of the investments for the Fund are Level 1, in accordance with the fair value hierarchy.

During the period ended April 30, 2018, there were no transfers between Level 1 and Level 2 assets and liabilities. For the period ended April 30, 2018, the Fund did not hold any Level 3 securities.

For more information on valuation inputs, see Note 2 — Significant Accounting Policies in the Notes to Financial Statements.

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

**Statement of Assets and Liabilities (000)****FMC Select Fund**  
(Unaudited)

April 30, 2018

<b>Assets:</b>	
Investments at Value (Cost \$107,461).....	\$ 196,697
Cash .....	5
Dividends Receivable.....	278
Reclaim Receivable .....	55
Prepaid Expenses.....	12
<b>Total Assets.....</b>	<b>197,047</b>
<b>Liabilities:</b>	
Payable to Adviser .....	132
Payable to Administrator.....	20
Payable for Capital Shares Redeemed.....	15
Payable to Trustees .....	2
Payable to Officers .....	2
Other Accrued Expenses .....	49
<b>Total Liabilities.....</b>	<b>220</b>
<b>Net Assets .....</b>	<b>\$ 196,827</b>
<b>Net Assets Consist of:</b>	
Paid-in Capital.....	\$ 88,621
Undistributed Net Investment Income.....	143
Accumulated Net Realized Gain on Investments and Foreign Currency Transactions.....	18,830
Net Unrealized Appreciation on Investments and Foreign Currency Translation .....	89,233
<b>Net Assets .....</b>	<b>\$ 196,827</b>
Outstanding Shares of Beneficial Interest (unlimited authorization — no par value).....	7,451,855 <sup>(1)</sup>
<b>Net Asset Value, Offering and Redemption Price Per Share.....</b>	<b>\$ 26.41</b>

<sup>(1)</sup> Shares have not been rounded.

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

**Statement of Operations (000)****FMC Select Fund**  
(Unaudited)

For the Six Month Period Ended April 30, 2018

Investment Income:	
Dividend Income (Less Foreign Taxes Withheld of \$67).....	\$ 1,680
Total Investment Income .....	1,680
Expenses:	
Investment Advisory Fees .....	860
Administration Fees .....	129
Trustees' Fees.....	9
Officers' Fees .....	3
Transfer Agent Fees.....	30
Professional Fees.....	27
Printing Fees.....	14
Registration and Filing Fees.....	11
Custodian Fees .....	6
Other Expenses.....	15
Total Expenses .....	1,104
Net Investment Income .....	576
Net Realized Gain on Investments.....	18,830
Net Change in Unrealized Appreciation (Depreciation) on Investments and Foreign Currency Translation.....	(23,263)
Net Realized and Unrealized Loss on Investments .....	(4,433)
Net Decrease in Net Assets Resulting From Operations.....	\$ (3,857)

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



**Statement of Changes in Net Assets (000)**
**FMC Select Fund**

	<b>Six Months November 1, 2017 to April 30, 2018 (Unaudited)</b>	<b>Year November 1, 2016 to October 31, 2017</b>
<b>Operations:</b>		
Net Investment Income.....	\$ 576	\$ 1,134
Net Realized Gain on Investments and Foreign Currency Transactions .....	18,830	20,287
Net Change in Unrealized Appreciation (Depreciation) on Investments and Foreign Currency Translation.....	(23,263)	6,946
Net Increase (Decrease) in Net Assets Resulting from Operations.....	(3,857)	28,367
<b>Dividends and Distributions:</b>		
Net Investment Income.....	(502)	(1,143)
Net Realized Gain.....	(20,245)	(19,522)
Total Dividends and Distributions .....	(20,747)	(20,665)
<b>Capital Share Transactions:</b>		
Issued .....	6,078	2,660
Reinvestment of Dividends and Distributions .....	20,693	20,635
Redeemed .....	(31,081)	(69,885)
Net Decrease in Net Assets Derived from Capital Share Transactions.....	(4,310)	(46,590)
Total Decrease in Net Assets.....	(28,914)	(38,888)
<b>Net Assets:</b>		
Beginning of Period.....	225,741	264,629
End of Period .....	\$ 196,827	\$ 225,741
Undistributed Net Investment Income .....	\$ 143	\$ 69
<b>Shares Issued and Redeemed:</b>		
Issued .....	213	95
Reinvestment of Dividends and Distributions .....	742	770
Redeemed .....	(1,093)	(2,489)
Net Decrease in Shares Outstanding .....	(138)	(1,624)

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

## Financial Highlights

## FMC Select Fund

For a Share Outstanding Throughout Each Period  
 For the Six Month Period Ended April 30, 2018 (Unaudited) and the Years Ended  
 October 31,

	Six Months Ended April 30, 2018 (Unaudited)	2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period . . .	\$29.74	\$28.72	\$30.37	\$30.19	\$27.96	\$22.78
Net Investment Income <sup>(1)</sup> . . . . .	0.08	0.13	0.16	0.12	0.17	0.16
Realized and Unrealized Gain (Loss) on Investments . . . . .	(0.58)	3.19	(0.44)	0.80	2.60	5.18
Total from Operations .	(0.50)	3.32	(0.28)	0.92	2.77	5.34
Dividends from Net Investment Income	(0.06)	(0.13)	(0.16)	(0.14)	(0.18)	(0.16)
Distributions from Realized Gains . . . .	(2.77)	(2.17)	(1.21)	(0.60)	(0.36)	—
Total Dividends and Distributions . . . . .	(2.83)	(2.30)	(1.37)	(0.74)	(0.54)	(0.16)
Net Asset Value, End of Period . . . . .	\$26.41	\$29.74	\$28.72	\$30.37	\$30.19	\$27.96
Total Return <sup>(2)</sup> . . . . .	(2.14)%	12.46%	(0.88)%	2.99%	10.02%	23.52%
Net Assets End of Period (000) . . . . .	\$ 196,827	\$ 225,741	\$ 264,629	\$ 300,435	\$ 301,432	\$ 273,190
Ratio of Expenses to Average Net Assets	1.03%**	1.00%	0.99%	0.98%	0.98%	0.99%
Ratio of Net Investment Income to Average Net Assets . . . . .	0.54%**	0.47%	0.55%	0.39%	0.59%	0.64%
Portfolio Turnover Rate . . . . .	9%***	10%	32%	17%	11%	8%

(1) Per share calculations were performed using average shares for the period.

(2) Total returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or upon the redemption of Fund shares.

\*\* Annualized

\*\*\* Portfolio turnover rate is for the period indicated and has not been annualized.

Amounts designated as “—” are \$0.

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

April 30, 2018

## 1. Organization:

**The Advisors' Inner Circle Fund** (the "Trust") is organized as a Massachusetts business trust under an Amended and Restated Agreement and Declaration of Trust dated February 18, 1997. The Trust is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company with 56 funds. The financial statements herein are those of the FMC Select Fund (the "Fund"). The Fund is classified as a "diversified" investment company under the 1940 Act. The Fund seeks a total return principally through capital appreciation and, to a limited degree, through current income by investing principally in equity securities of U.S. companies with medium and large market capitalizations and secondarily in investment grade fixed income securities. The financial statements of the remaining funds of the Trust are not presented herein, but are presented separately. The assets of each fund within the Trust are segregated, and a shareholder's interest is limited to the fund in which shares are held.

## 2. Significant Accounting Policies:

The following are significant accounting policies, which are consistently followed in the preparation of the financial statements of the Portfolio. The Portfolio is an investment company that applies the accounting and reporting guidance issued in Topic 946 by the U.S. Financial Accounting Standards Board ("FASB").

*Use of Estimates* — The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the fair value of investments, reported amounts 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 reported 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 the primary exchange or market (foreign or domestic) on which they are traded, or, if there is no such reported sale, 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.

All investment companies held in the Fund's portfolio are valued at the published net asset value.

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 Pricing 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

April 30, 2018

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. As of April 30, 2018, there were no securities valued in accordance with the fair value procedures.

In accordance with the authoritative guidance on fair value measurements and disclosure under GAAP, the Fund discloses the 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 if an asset were sold or paid if a liability were transferred 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 — Quoted prices which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 — Prices, inputs or proprietary 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.

During the six month period ended April 30, 2018, there were no significant changes to the Fund's fair valuation methodologies.

*Federal Income Taxes* — It is the Fund's intention to continue 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, and to distribute substantially all of its income to its shareholders. Accordingly, no provision for Federal income taxes has 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 period. The Fund did not record any tax provision in the current period. However, management's conclusions regarding tax positions taken

April 30, 2018

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., the last three open tax year ends, as applicable), on-going analysis of and changes to tax laws, regulations and interpretations thereof.

As of and during the six month period ended April 30, 2018, 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 six month period ended April 30, 2018, the Fund did not incur any interest or penalties.

*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.

*Security Transactions and Investment Income* — Security transactions are accounted for on the date the security is purchased or sold (trade date) for financial reporting purposes. Costs used in determining realized gains and losses on the sales of investment securities are those of the specific securities sold. Interest income is recognized on the accrual basis from settlement date. Dividend income is recorded on the ex-date.

*Expenses* — Expenses that are directly related to the Fund are charged to the Fund. Other operating expenses of the Trust are allocated to the Fund on a pro rata basis based on the number of funds and/or relative net assets.

*Dividends and Distributions to Shareholders* — Dividends from net investment income, if any, are declared and paid to shareholders quarterly. Any net realized capital gains are distributed to shareholders at least annually.

### **3. Transactions with Affiliates:**

Certain officers of the Trust are also employees of the Administrator, 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.

A portion of the services provided by the CCO and his staff, each of whom is an employee of the Administrator, is paid for by the Trust as incurred. The services include regulatory oversight of the Trust's advisers and service providers as required by Securities and Exchange Commission ("SEC") regulations. The CCO's services and fees have been approved by and are reviewed by the Board. For the six month period ended April 30, 2018, the Fund was allocated CCO fees totaling \$2,749.

The Fund effects brokerage or other agency transactions through the First Manhattan Co. (the "Adviser" or "FMC"), a registered broker-dealer, and pays brokerage commissions or related charges that are consistent with the applicable requirements of the Investment Company Act of 1940, the Securities and Exchange Act of 1934 and rules promulgated

April 30, 2018

by the SEC. For the six month period ended April 30, 2018, the Adviser received \$4,130 in brokerage commissions from the Fund.

#### **4. Administration, Distribution, Transfer Agent and Custodian Agreements:**

The Trust and the Administrator have entered into an Administration Agreement under which the Administrator provides the Trust with administrative services, including regulatory reporting and all necessary office space, equipment, personnel and facilities. For its services under the Administration Agreement, the Administrator is paid an asset based fee, subject to certain minimums, which will vary depending on the number of share classes and the average daily net assets of the Fund. For the six month period ended April 30, 2018, the Fund paid \$128,826 for these services.

The Trust and Distributor are parties to a Distribution Agreement. The Distributor receives no fees for its distribution services under this agreement.

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

U.S. 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 and/or sold by the Fund.

#### **5. Investment Advisory Agreement:**

For its services to the Fund, FMC is entitled to an investment advisory fee which is calculated daily and paid monthly, at an annual rate of 0.80% based on the average daily net assets of the Fund. FMC has voluntarily agreed to reduce fees and reimburse expenses to the extent necessary to keep total annual fund operating expenses (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses and extraordinary expenses) from exceeding 1.10% of the Fund's average daily net assets. FMC may discontinue all or a portion of its fee reductions or expense reimbursements at any time. For the six month period ended April 30, 2018, FMC received advisory fees of 0.80% of the Fund's average daily net assets.

#### **6. Investment Transactions:**

The cost of security purchases and the proceeds from security sales, in thousands, other than short-term investments, for the six month period ended April 30, 2018, were as follows:

Purchases .....	\$	18,674
Sales .....		46,521

#### **7. 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. generally accepted accounting principles. As a result, net investment income (loss) and net

April 30, 2018

realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. These book/tax differences may be temporary or permanent. To the extent these differences are permanent in nature, they are charged or credited to undistributed net investment income (loss), accumulated net realized gain (loss) or to paid-in capital as appropriate, in the period that the differences arise. Accordingly, the following permanent differences, in thousands, primarily attributable to foreign exchange transactions, have been reclassified to/from the following accounts as of October 31, 2017:

<u>Undistributed Net Investment Income</u>	<u>Accumulated Net Realized Loss</u>
\$42	\$(42)

These reclassifications had no impact on net assets or net asset value per share.

The tax character of dividends and distributions, in thousands, declared during the years ended October 31, 2017 and October 31, 2016 was as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>	<u>Total</u>
2017	\$ 1,143	\$19,522	\$ 20,665
2016	1,538	11,795	13,333

As of October 31, 2017, the components of distributable earnings, in thousands, on a tax basis were as follows:

Undistributed Ordinary Income.....	\$ 68
Undistributed Long-Term Capital Gains .....	20,246
Unrealized Appreciation .....	<u>112,496</u>
Total Distributable Earnings.....	<u>\$ 132,810</u>

The Federal tax cost and aggregate gross unrealized appreciation and depreciation on investments, in thousands, held by the Fund at April 30, 2018, were as follows:

<u>Federal Tax Cost</u>	<u>Aggregate Gross Unrealized Appreciation</u>	<u>Aggregate Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
\$107,461	\$(90,337)	\$1,101	\$(89,236)

## 8. Other:

At April 30, 2018, two shareholders of record held 98% of the Fund's total outstanding shares. These shareholders of record were comprised of omnibus accounts that were held on behalf of various shareholders.

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 claims is considered remote.

April 30, 2018

**9. 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 or adjustments were required to the financial statements.



April 30, 2018

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 portfolio management, administrative services, and shareholder reports like this one. It is important that you understand how these costs affect your investment returns.

Operating expenses such as these are deducted from a mutual fund’s gross income and directly reduce its final investment return. These expenses are expressed as a percentage of a mutual fund’s average net assets; this percentage is known as a 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 (November 1, 2017 through April 30, 2018). The table below 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 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 period, 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 “Expenses Paid During Period” column with those that appear in the same charts in the shareholder reports for other mutual funds.

Note: Because the hypothetical 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 Account Value 11/01/17</b>	<b>Ending Account Value 04/30/18</b>	<b>Annualized Expense Ratios</b>	<b>Expenses Paid During Period*</b>
<b>Actual Fund Return</b>	\$1,000.00	\$978.60	1.03%	\$5.05
<b>Hypothetical 5% Return</b>	1,000.00	1,019.69	1.03	5.16

## Disclosure of Fund Expenses

**FMC Select Fund**  
(Unaudited)

April 30, 2018

\* Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

## NOTES

## NOTES

April 30, 2018

Pursuant to Section 15 of the Investment Company Act of 1940 (the "1940 Act"), the Fund's advisory agreement (the "Agreement") must be renewed at least annually after its initial two-year term: (i) by the vote of the Board of Trustees (the "Board" or the "Trustees") of The Advisors' Inner Circle Fund (the "Trust") or by a vote of a majority of the shareholders of the Fund; and (ii) by the vote of a majority of the Trustees who are not parties to the Agreement 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 renewal.

A Board meeting was held on November 15, 2017 to decide whether to renew the Agreement for an additional six-month term. In preparation for the meeting, the Trustees requested that the Adviser furnish information necessary to evaluate the terms of the Agreement. Prior to the meeting, the Independent Trustees of the Fund met to review and discuss the information provided and submitted a request for additional information to the Adviser, and information was provided in response to this request. The Trustees used this information, as well as other information that the Adviser and other service providers of the Fund presented or submitted to the Board at the meeting and other meetings held during the prior year, to help them decide whether to renew the Agreement for an additional six-month term.

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

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

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

April 30, 2018

**Nature, Extent and Quality of Services Provided by the Adviser**

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

The Trustees also considered other services provided to the Fund by the Adviser 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 the Adviser were sufficient to support renewal of the Agreement.

**Investment Performance of the Fund and the Adviser**

The Board was provided with regular reports regarding the Fund's performance over various time periods. The Trustees also reviewed reports prepared by the Fund's administrator comparing the Fund's performance to its benchmark index 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 the Adviser 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 considered the Adviser's reasons for the underperformance of the Fund relative to its benchmark and peer group and the steps taken by the Adviser in an effort to improve the performance of the Fund. The Board also considered information provided by the Adviser regarding the composition, investment horizon and performance expectations (both long-term and short-term) of the Fund's shareholders and the changes made to the methodology used to determine portfolio manager compensation at the Adviser. The Trustees agreed that they would continue to closely monitor the Fund's performance, including the Adviser's progress to address the underperformance and whether additional actions to address the underperformance are warranted. The Trustees requested that the Adviser update the Board on the Fund's performance (both actual and comparative) at its May 2018 Board meeting. Based on this information, the Board concluded, within the context of its full deliberations, that the investment results that the Adviser had been able to achieve for the Fund were sufficient to support renewal of the Agreement for a six-month term.

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

In considering the advisory fee payable by the Fund to the Adviser, the Trustees reviewed, among other things, a report of the advisory fee paid to the Adviser. The Trustees also reviewed reports prepared by the Fund's administrator comparing the Fund's net and

April 30, 2018

gross expense ratios and advisory fee to those paid by a peer group of mutual funds as classified by Lipper. The Board concluded, within the context of its full deliberations, that the advisory fee was reasonable in light of the nature and quality of the services rendered by the Adviser.

The Trustees reviewed the costs of services provided by and the profits realized by the Adviser 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 the Adviser and its affiliates. The Trustees considered how the Adviser's profitability was affected by factors such as its organizational structure and method for allocating expenses. The Trustees concluded that the profit margins of the Adviser with respect to the management of the Fund were not unreasonable. The Board also considered the Adviser's commitment to managing the Fund and its willingness to continue its expense limitation and fee waiver arrangement with the Fund.

The Trustees considered the Adviser'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. 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 advisory fee was reasonable in light of the information that was provided to the Trustees by the Adviser with respect to economies of scale.

### **Renewal of the 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 Agreement, including the fees payable thereunder, were fair and reasonable and agreed to renew the Agreement through June 1, 2018. 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.

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FMC SELECT FUND  
P.O. Box 219009  
Kansas City, MO 64121-9009

**Adviser:**

FIRST MANHATTAN CO.  
399 Park Avenue  
New York, NY 10022

**Distributor:**

SEI INVESTMENTS DISTRIBUTION CO.  
1 Freedom Valley Dr.  
Oaks, PA 19456

**Administrator:**

SEI INVESTMENTS GLOBAL FUNDS SERVICES  
1 Freedom Valley Dr.  
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. Investors should read the prospectus carefully before investing.

The Fund files its complete schedule of portfolio holdings 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 the end of the period. The Fund's Forms N-Q (Quarterly Schedule of Portfolio Holdings) are 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 portfolio securities, as well as information relating to how a Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available without charge, upon request, by calling 1-877-FMC-4099 (1-877-362-4099); information on voted proxies is also available on the SEC's website on Form N-PX at <http://www.sec.gov>.  
FMC-SA-003-0700

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