



Société d'investissement à capital variable (SICAV)

Semi-Annual Report and Unaudited Financial Statements
June 30, 2018

R.C.S. Luxembourg B202 249

Semi-Annual Report and Unaudited Financial Statements do not constitute an offer or invitation to subscribe or purchase shares. Subscriptions are valid only if made on the basis of the current Prospectus, accompanied by the key investor information document ("KIID") and the latest Annual Report and most recent Semi-Annual Report if published thereafter.

SMEAD FUNDS

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Organisation of the Fund

Registered office of the Fund

49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Fund

Cole Smead, CFA (Chairman)
Managing Director
Smead Capital Management, Inc.
Seattle, WA 98101
USA

Steven LeMire
Chief Compliance Officer
Smead Capital Management, Inc.
Seattle, WA 98101
USA

Antonio Thomas
Independent Director
24, rue Beaumont
L-1219 Luxembourg
Grand Duchy of Luxembourg

Management Company

Duff & Phelps (Luxembourg) Management
Company S.à r.l.
Air Building
1, rue Jean Piret
L-2350 Luxembourg
Grand Duchy of Luxembourg

Depository*, Administrator* and Paying Agent*

State Street Bank Luxembourg S.C.A.
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Paying and Information Agent in Austria

Unicredit Bank Austria AG
Schottengasse 6-8
1010 Vienna
Austria

Information Agent in Germany

CACEIS Bank Deutschland GmbH
Lilienthalallee 34 - 36
80939 Munich
Germany

Investment Manager*

Smead Capital Management, Inc.
600 University Street, Suite 2412,
Seattle, WA 98101
USA

Global Distributor*

Smead Capital Management, Inc.
600 University Street, Suite 2412,
Seattle, WA 98101
USA

Independent Auditors

Ernst & Young S.A.
35E, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal Adviser

Arendt & Medernach S.A.
41A, avenue J.F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

* These functions have been delegated by the Management Company.

General Information

Incorporation

SMEAD FUNDS (the "Fund") is a public limited company (*société anonyme*) incorporated on December 4, 2015 under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of December 17, 2010, relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund is registered with the Luxembourg Trade and Companies Register under number B 202 249. The Articles of Incorporation have been published in the Mémorial C, Recueil des Sociétés et Associations of the Grand-Duchy of Luxembourg.

Communications and reports to shareholders

1. Periodic reports

The financial statements of the Fund are prepared in accordance with the Luxembourg GAAP.

Annual reports including Audited Financial Statements for the year ended December 31, unaudited semi-annual reports for the six months ended June 30 and the list of changes made to the composition of the securities portfolio are available to shareholders free of charges upon request from the Fund and/or the Management Company or from www.smeadcap.com.

Annual reports are available within four months of the financial year-end and semi-annual reports are available within two months of the end of the six-month period.

The Reference Currency of the Fund is USD.

2. Information to shareholders

a) Net asset value

The publication of the Net Asset Values takes place on the next Business Day after a Valuation Day. The Net Asset Value per Share of each Share Class is available from the Administrator during normal business hours and is published on www.smeadcap.com.

b) Subscription and redemption prices

The subscription and redemption prices of shares in each sub-fund, category or class of shares of the Fund are published daily at the Depositary Bank and from the banks ensuring of financial services.

c) Notifications to shareholders

Notices of all general meetings will be published in the Mémorial and a Luxembourg newspaper and sent to all registered shareholders by ordinary mail.

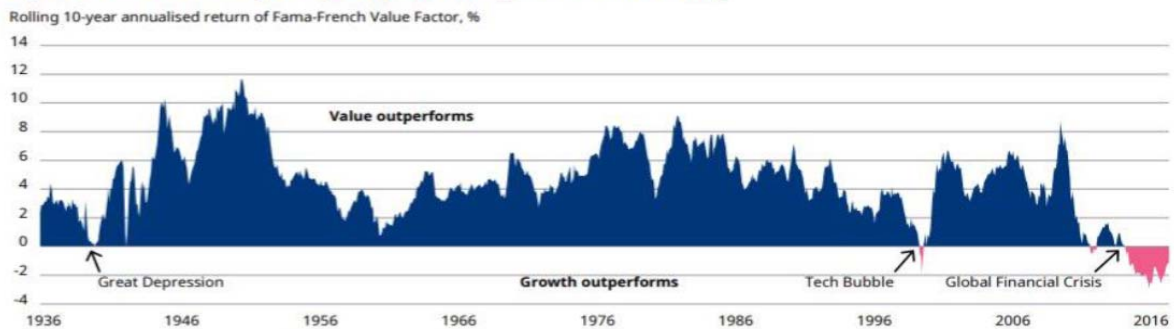
SMEAD FUNDS

Investment Manager's Report

Dear Shareholders:

At the end of the first half of the 2018 fiscal year, the Smead US Value UCITS Fund - I ACC USD Share Class (the "Fund") (Bloomberg: SMVUSIU) posted a loss of (1.96%*) versus a 2.65% gain for the S&P 500 Index. This is disappointing to us on both an absolute and on a relative basis. However, we have always attempted to let our investors know that we underperform when glamorous and futuristic companies are dominating index returns and the overall US stock market. This is one of the longest stretches of high-multiple growth stock outperformance stretches in history. See the chart below:

Figure 1: Value has nearly always outperformed growth - until recently



Past performance is not a guide to future performance and may not be repeated.

Based on monthly returns of the US Fama/French HML (High Minus Low) Factor. HML is the return on the "high" portfolio minus the return on the "low" portfolio, where book to market is used as the value metric. Source: Kenneth French's Data Library and Schroders. Data from 31 July 1926 to 29 December 2017.

One of the most successful investors of the last 45 years, Howard Marks, agrees with us that the risks of chasing momentum are very high right now. We promise to not expand our normal discipline to try to capture momentum-oriented returns late in a major popularity phase.

The most common question we get everywhere we go is, "when will this phase end?" Our answer is that we don't think you can hold your breath until it is over, but we believe that those who get caught up into this financial euphoria in tech will pay a very high price in five-year returns. Our portfolio trades at a P/E multiple of around 13 and at that level, we have had very solid five and ten-year returns in the aftermath.

Our best performers in the first half were Discovery Communications (DISCA), Target (TGT) and Amgen (AMGN). Notice that we did very well on companies which are in the crosshairs of the most popular American companies. We did poorly on NVR Inc. (NVR), Lennar (LEN) and Walgreens (WBA). We had trimmed our homebuilders and expected them to correct this year. Walgreens got slapped around by the announcement that Amazon was going to take a shot at the pharmacy industry. We added to our position in Walgreens when Amazon announced that they will take a shot at the pharmacy industry. We are optimistic about homebuilding and the pharmacy businesses over the next five years and expect to get corrections along the way.

Thank you for your ownership and trust in the Smead US Value UCITS Fund!

Warmest Regards,

William Smead
Lead Portfolio Manager

Tony Scherrer, CFA
Co-Portfolio Manager

Cole Smead, CFA
Co-Portfolio Manager

July 19, 2018

* I ACC USD Share Class performance includes impact of fees waived.

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Statistics

June 30, 2018 December 31, 2017 December 31, 2016

Net Asset Value	USD	95,916,750.29	94,757,820.77	81,706,889.82
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Net asset value per share

A Acc (USD)	USD	362.92	372.19	302.03
I Acc (EUR)	EUR	316.49	313.88	286.73
I Acc (GBP)	GBP	444.32	441.51	388.43
I Acc (USD)	USD	369.33	376.71	302.42
I Dis (GBP)	GBP	443.61	441.59	388.36

Number of shares

A Acc (USD)	19,706	69	28
I Acc (EUR)	38,223	34,768	28,314
I Acc (GBP)	10,370	12,200	14,800
I Acc (USD)	183,024	194,741	216,547
I Dis (GBP)	1,641	1,641	1,134

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

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Statement of Net Assets as at June 30, 2018

	Notes	USD
Assets		
Investment in securities at cost		79,374,044.00
Unrealised appreciation on securities		16,286,673.10
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Investment in securities at market value	3.2	95,660,717.10
Cash at bank		528,007.09
Receivable on subscription		188,546.31
Formation expenses, net of amortisation	3.3	133,533.46
Dividend and Interest receivable		54,296.16
<hr/>		
Total assets		96,565,100.12
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Liabilities		
Payable on redemption		499,554.56
Accrued expenses		148,795.27
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Total liabilities		648,349.83
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Net assets at the end of the period		95,916,750.29
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The accompanying notes are an integral part of these financial statements.

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Statement of Operations and Changes in Net Assets For the period ending June 30, 2018

	Notes	USD
Income		
Dividends (net of withholding taxes)	3.5	563,512.27
Interests		2,523.46
Total income		566,035.73
Expenses		
Management fees	4	526,503.20
Administration fees		119,789.24
Professional fees		51,743.83
Depositary fees		18,744.78
Director fees	5	18,074.54
Taxation	6	6,266.69
Insurance fees		2,444.66
Custody fees		2,435.07
Transaction costs	8	1,461.24
Formation expenses amortised	3.3	25,044.97
Other expenses		21,689.88
Less: Fee waived	7	(213,727.82)
Total expenses		580,470.28
Net investment loss		(14,434.55)
Net realised appreciation / (depreciation) on:		
Investments	3.6	3,195,781.08
Foreign currencies transactions	3.1	(4,887.90)
Net realised gain for the period		3,200,668.98
Net change in unrealised (depreciation) on:		
Investments	3.6	(5,203,910.05)
Currencies	3.1	(37.12)
Decrease in net assets as a result of operations		(2,017,712.74)
Proceeds received on subscription of shares		12,054,710.46
Net amount paid on redemption of shares		8,878,068.20
Distribution paid		-
Net assets at the beginning of the year		94,757,820.77
Net assets at the end of the period		95,916,750.29

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

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the period	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the period
A Acc (USD)	69	19,894	(257)	19,706
I Acc (EUR)	34,768	3,521	(66)	38,223
I Acc (GBP)	12,200	67	(1,897)	10,370
I Acc (USD)	194,741	9,302	(21,019)	183,024
I Dist (GBP)	1,641	-	-	1,641

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

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Securities Portfolio as at June 30, 2018

Quantity	Name	Currency	Market Value in USD	% NAV
Transferable securities admitted to an official exchange listing				
Shares				
United States				
19,366	ACCENTURE PLC-CL A	USD	3,168,083.94	3.30
107,613	AFLAC INC	USD	4,629,511.26	4.83
54,044	AMERICAN EXPRESS CO	USD	5,296,312.00	5.52
19,623	AMERISOURCEBERGEN CORP	USD	1,673,253.21	1.74
32,311	AMGEN INC	USD	5,964,287.49	6.22
151,655	BANK OF AMERICA CORP	USD	4,275,154.45	4.46
27,770	BERKSHIRE HATHAWAY INC-CL B	USD	5,183,270.50	5.40
81,385	COMCAST CORP-SPECIAL-CL A	USD	2,670,241.85	2.78
232,050	DISCOVERY COMMUNICATIONS-CL A	USD	6,381,375.00	6.65
91,572	EBAY INC	USD	3,320,400.72	3.46
21,538	HOME DEPOT INC	USD	4,202,063.80	4.38
12,892	JOHNSON & JOHNSON	USD	1,564,315.28	1.63
41,666	JPMORGAN CHASE & CO	USD	4,341,597.20	4.53
83,688	KROGER CO	USD	2,380,923.60	2.48
76,732	LENNAR CORP A	USD	4,028,430.00	4.20
46,238	MERCK & CO INC	USD	2,806,646.60	2.93
38,488	NORDSTROM INC	USD	1,992,908.64	2.08
1,665	NVR INC	USD	4,945,632.75	5.16
24,317	PAYPAL HOLDINGS INC	USD	2,024,876.59	2.11
78,412	PFIZER INC	USD	2,844,787.36	2.97
15,200	STARBUCKS CORP	USD	742,520.00	0.77
67,906	TARGET CORP	USD	5,169,004.72	5.39
146,236	TEGNA INC	USD	1,586,660.60	1.65
73,782	WALGREENS BOOTS ALLIANCE INC	USD	4,428,026.73	4.62
33,217	WALT DISNEY CO	USD	3,481,473.77	3.63
60,417	WELLS FARGO & CO	USD	3,349,518.48	3.49
			92,451,276.54	96.39
Mutual Funds				
United States				
3,209,441	STATE STREET GLOBAL ADVISORS – US LIQUIDITY FUND	USD	3,209,440.56	3.35
Total securities portfolio			95,660,717.10	99.73
Summary of net assets				
				% NAV
Total securities portfolio			95,660,717.10	99.73
Cash at bank			528,007.09	0.55
Other assets and liabilities			(271,973.90)	(0.28)
Total net assets			95,916,750.29	100.00

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

SMEAD FUNDS

Smead US Value UCITS Fund (in USD)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Shares	96.64	96.39
Mutual Funds	3.36	3.35
	100.00	99.73

Country allocation	% of portfolio	% of net assets
United States	100.00	99.73
	100.00	99.73

Top Ten Holdings

Top Ten Holdings	Sector	Market Value USD	% of net assets
DISCOVERY COMMUNICATIONS-CL A	Consumer Discretionary	6,381,375.00	6.65
AMGEN INC	Health Care	5,964,287.49	6.22
AMERICAN EXPRESS CO	Financials	5,296,312.00	5.52
BERKSHIRE HATHAWAY INC-CL B	Financials	5,183,270.50	5.40
TARGET CORP	Consumer Discretionary	5,169,004.72	5.39
NVR INC	Consumer Discretionary	4,945,632.75	5.16
AFLAC INC	Financials	4,629,511.26	4.83
WALGREENS BOOTS ALLIANCE INC	Consumer Staples	4,428,026.73	4.62
JPMORGAN CHASE & CO	Financials	4,341,597.20	4.53
BANK OF AMERICA CORP	Financials	4,275,154.45	4.46

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

SMEAD FUNDS

Notes to the Financial Statements as at June 30, 2018

1. Organisation

Smead Funds (the "Fund") is a public limited company (*société anonyme*) incorporated on December 4, 2015 under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of December 17, 2010, relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund is registered with the Luxembourg Trade and Companies Register under number B202 249. The Articles of Incorporation have been published in the Mémorial C, Recueil des Sociétés et Associations of the Grand-Duchy of Luxembourg.

The Fund is organised as an umbrella structure. At June 30, 2018, the Fund offered shares in one Sub-Fund (the "Sub-Fund"), as shown below:

Sub-Fund	Launch date	Base Currency
Smead US Value UCITS Fund (the "Sub-Fund")	February 22, 2016	United States dollar ("USD")

The objective of the Sub-Fund is to provide investors with long-term capital appreciation.

2. Shares of the Fund

The Sub-Fund may comprise distributing Shares (Distribution Shares) and non-distributing Shares (Accumulation Shares). Distribution Shares and Accumulation Shares issued within the same Sub-Fund are represented by different Share Classes.

Certain Shares Classes are reserved to specified categories of investors such as Institutional Investors, investors investing through a specified distribution channel or investors who are residents of or domiciled in specific jurisdictions.

In particular, the Sub-Fund may offer Currency Hedged Share Classes. The Fund may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Currency Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions will be allocated solely to the Currency Hedged Share Class to which the hedging relates.

As at June 30, 2018, Shares in the Sub-Fund are offered for subscription in the form of Class A and Class I Shares (exclusively reserved for Institutional Investors).

As at June 30, 2018, the following Share classes are active:

Sub-Fund	Sub-Fund Base Currency	Class of Shares / Currency	Launch Date
Smead US Value UCITS Fund	USD	Class I Acc (EUR)	February 22, 2016
		Class I Acc (GBP)	February 22, 2016
		Class I Acc (USD)	February 22, 2016
		Class I Dis (GBP)	April 26, 2016
		Class A Acc (USD)	November 18, 2016

Notes to the Financial Statements as at June 30, 2018 (continued)

3. Significant Accounting Policies

The financial statements of the Fund are prepared and presented in accordance with Luxembourg legal and regulatory requirements relating to Undertakings for Collective Investment as described by Luxembourg authorities for Luxembourg investment funds. They are prepared in accordance with accounting policies generally accepted in Luxembourg.

3.1 Currency conversion

The accounts of the Sub-Fund are kept in United States Dollars and the financial statements are expressed in the same currency. The acquisition cost of securities purchased in a currency other than United States Dollars is converted into the currency of the Sub-Fund on the basis of the exchange rates prevailing on the date on which the securities are acquired.

Income and expenses denominated in a currency other than United States Dollars are converted into the currency of the Sub-Fund on the basis of the exchange rates prevailing on the transaction date. At the closing date of the financial period, the security valuations (determined as described below), receivables, bank deposits and debts denominated in a currency other than that of the sub-fund are converted into United States Dollars on the basis of the exchange rates prevailing at that date; the foreign exchange differences resulting from the conversion of receivables, bank deposits and debts are included in the net realised gain/loss on foreign exchange transactions in the Statement of Operations and Changes in Net Assets for the financial period.

3.2 Valuation of investments

Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market are valued at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors determines on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation.

Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, are valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

3.3 Formation expenses

Formation expenses are amortised on a linear basis over a five-year period.

3.4 Transactions on investments in securities

Purchases and sales of financial investments in securities are recognised using trade date plus one accounting basis.

3.5 Income and expenses

Dividends are recorded on ex-date. Dividends are recorded net of any non-recoverable withholding tax.

Operating expenses are recognised on an accrual basis.

3.6 Net realised gains/losses on sales of investments

Gains and losses realised on the sale of securities are determined on the basis of the average acquisition cost.

Notes to the Financial Statements as at June 30, 2018 (continued)

4. Management fees

The Management Company and the Investment Manager are each entitled to a part of the Management Fee. The Management Fee is calculated daily as a percentage of the average Net Asset Value of the Share Class and paid out of the assets of the Sub-Fund and Share Class. The Management Fee will accrue on each Valuation Day and will be payable monthly in arrears at the maximum rate of 1.85% for A Share Class and 1.05% for I Share Classes. The Management Company is also entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Extraordinary expenses which are incurred by the Management Company as a result of special assignments from the Fund or of events outside of the ordinary course of business can be charged separately provided these expenses have been notified and agreed by the Fund in advance except where contrary to applicable law or regulations.

5. Director fees

The members of the Board of Directors are entitled to receive a fee in consideration for their function. However, members of the Board of Directors who are also directors, officers or employees of the Investment Manager or its affiliates will not receive any fees as directors of the Fund.

The Independent Director, Mr. Antonio Thomas, is entitled to receive a compensation of twenty-five thousand euro (EUR 25,000) on a gross annual basis out of the assets of the Company. Of this amount, EUR 10,000 is paid in cash and EUR 15,000 is paid in shares of the Fund.

6. Taxation

Under Luxembourg law, the Fund is liable in Luxembourg for a subscription tax (taxe d'abonnement) of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the respective Share Class at the end of the relevant quarter. A reduced tax rate of 0.01% per annum of the net assets will be applicable to Share Classes which are only sold to and held by Institutional Investors. Such tax is payable quarterly and calculated on the net assets of such Share Class at the end of the relevant quarter.

Dividends, interest and capital gains on securities issued in certain countries may be subject to non-recoverable withholding or capital gain taxes imposed by such countries. Withholding tax, deducted in certain countries, may not be refundable in certain instances.

7. Cap on fees and expenses

The fees and expenses are capped to a maximum annual percentage of the Net Asset Value as per an agreement with the Investment Manager.

Maximum annual percentages applicable as at June 30, 2018 were as follows:

Share Class	Maximum annual %
A Acc (USD)	2.25%
I Acc (EUR)	1.15%
I Acc (GBP)	1.15%
I Acc (USD)	1.15%
I Dist (GBP)	1.15%

8. Transaction costs

For the period ended June 30, 2018, the Sub-Fund incurred transaction costs for 11,556 USD, which have been defined as brokerage fees, certain taxes and certain depositary fees relating to the purchase and sale of transferable securities, money market instruments or other eligible assets. Of these transaction costs, 7,530 USD were soft dollar commissions that paid for research and execution systems. All these costs are included in the Statement of Operations and Changes in Net Assets as Net change in unrealised appreciation / (depreciation) on Investments and Net realised loss on Investments.

Notes to the Financial Statements as at June 30, 2018 (continued)

9. Exchange Rates

The exchange rates used in the conversion of the Fund's assets or liabilities denominated in other currencies than United States Dollar are the following:

1 USD = 0.856494 EUR

1 USD = 0.757432 GBP

10. Changes in the composition of the portfolio and latest Prospectus

The report on changes in the composition of the portfolio of the sub-fund and latest Prospectus is available upon request and free of charge at the registered office of the Fund.

11. Subsequent Events

There were no material events which occurred after the end of the financial period, which would have a bearing on the understanding of the financial statements.

Additional Information

Risk Management

The global exposure of the Smead Fund is monitored via daily Commitment approach.

Securities Financing Transaction Regulation

Securities Financing Transaction Regulation (“SFTR”) introduces reporting requirements for securities financing transactions (“SFTs”) and total return swaps.

A Security Financing Transaction (“SFT”) is defined as per Article 3 (11) of the SFTR as:

- a repurchase/reverse repurchase agreement,
- securities or commodities lending and securities or commodities borrowing,
- a buy-sell back transaction or sell-buy back transaction, or
- a margin lending transaction.

Smead Fund did not hold any total return swaps or enter in security financing transactions during the period ended June 30, 2018.