Semi-Annual Report
June 30, 2019 (Unaudited)

THE BEEHIVE FUND
Managed by Spears Abacus Advisors LLC

BEEHX

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The views expressed in this report are those of the investment advisor of The BeeHive Fund (the "Fund") as of June 30, 2019, and may not reflect its views on the date this report is first published or any time thereafter. These views are intended to assist shareholders of the Fund in understanding their investments in the Fund and do not constitute investment advice. The Fund is subject to various forms of risk, including the possible loss of principal. Investing in foreign securities entails risks not associated with domestic equities, including economic and political instability and currency fluctuations. Investing in fixed income securities includes the risk that rising interest rates will cause a decline in values. Focused investments in particular industries or market sectors can entail increased volatility and greater market risk than is the case with more broadly diversified investments. Investments in securities of small and mid-capitalization companies involve the possibility of greater volatility than investments in larger capitalization companies. Investments in American Depositary Receipts involve many of the same risks as investing in foreign securities.

Dear Shareholders,

Who flipped the switch? When markets closed on December 24 for the Christmas holiday, investor gloom was palpable. At the risk of reopening old wounds, the fourth quarter of 2018 was one of the worst on record. Negative sentiment was a three-legged stool: slowing economy, simmering trade wars and, worst of all, rising interest rates courtesy of the Federal Reserve Board. However, by the first trading day of the New Year, investors began to embrace a more optimistic view, especially about future Fed policy moves. Markets turned on a dime.

During the first calendar quarter of 2019, stocks posted their sharpest quarterly advance since 2009. According to mutual fund tracker Morningstar, the average investor produced returns in line with exceptionally strong broad market averages. The BeeHive Fund performed better, thanks to robust results in virtually every sector. Investments in technology, consumer related businesses and the newly designated "communications services" were uniformly strong. Financials and healthcare were mixed, though virtually every position produced a positive return during the quarter.

Celgene Corp. received a takeover bid at a meaningful premium from Bristol Myers on January 3. Core holdings Thermo Fisher Scientific and Danaher Corp. continued to outpace averages in both financial results and stock performance. The Fund's investments in aluminum beverage can manufacturers Ball Corp and Crown Holdings also provided well above-average returns. Aluminum is gaining market share from plastic bottles for environmental reasons and from glass bottles for cost and transportation advantages. Ball and Crown are the two largest players in a three-player market.

Late in the first quarter, we added Berkshire Hathaway, which we think has become a misunderstood company. It is categorized in the financial services sector because of its core property casualty insurance business. However, insurance represents a relatively small percentage of its operations. We also added Brightview Holdings, which, unlike Berkshire, is not exactly a household name. Brightview is becoming the dominant player in the commercial landscaping business. Its strategy is to grow through acquisition (targeting five to seven deals per year) at the same time realizing the benefits of scale. While it is a small position in the Fund, we believe it has the potential to generate outsized returns.

At first glance, the second quarter of 2019 was straightforward for investors. Equities as measured by the S&P 500 advanced 4.3%, the 10-year Treasury returned 3.9%, and junk bonds returned 2.6%. Our fixed income portfolios benefited from the decline in interest rates, and our equity portfolios outpaced the broad market.

A closer look, however, reveals a more complicated reality. At the same time that the equity markets in the U.S. were reaching new highs, the Treasury curve was just nine basis points away from inverting, and the Treasury market futures were suggesting that a Fed Funds rate cut at the end of July was imminent.

These bond market indicators are suggestive of a slowing economy, with a recession potentially on the horizon. We entered 2019 with a base case that the year would be characterized by slowing growth and possibly a mild recession. However, if a recession can be avoided, we believe it will be a "goldilocks" environment for equities. Monetary policy is extremely accommodative, growth is slow but still positive, employment data is strong, and inflation is low.

We continue to believe that any recession in the near term will be a shallow one and will not represent a crisis. Consumer and corporate balance sheets are positioned to withstand a period of retrenchment, and despite its length, this economic cycle has not been overly exuberant.

Within The BeeHive Fund, patience has paid off. The slow-motion turnaround taking place at AIG yielded visible progress in the company's first-quarter financial results, boosting the stock 14% since mid-April. We still believe that AIG shares represent a good value as they are trading at about 80% of tangible book value.

Allergan PLC has been a similarly frustrating investment but was a positive contributor in the second quarter after AbbVie announced an agreement to acquire Allergan for cash and stock, sending Allergan shares 25% higher in the next day of trading. For the moment, we are continuing to be patient and will hold the shares as we think that the initial sell-off of AbbVie shares following the announcement was too extreme.

Our patience was also rewarded by sticking with winners. Two of the largest positive contributors in the quarter were Microsoft and Ball Corp. The returns posted by both companies outpaced the broad market over the prior 12 months.

Late in the second quarter, the Fund made a new investment in Wyndham Hotels & Resorts (WH). Spun-off from Wyndham Holdings in 2018, WH is a hotel franchisor focused on the economy and mid-scale portions of the lodging space. WH does not own hotels but rather provides the use of its hotel brands, booking system and loyalty programs to hotel owners in exchange for a percentage of room revenues. We believe that branded hotels, like Wyndham's, are going to gain share as the shift to online booking makes it increasingly challenging and costly to operate an independent hotel. Additionally, we believe that WH's focus on the lower end of the lodging segment protects it from competitors like Airbnb and makes it more resilient to a potential recession. We believe that Wyndham will compound earnings at an attractive rate, and its multiple will expand as it builds a track record as an independent company.

Among the biggest conundrums we see in the market today is the $12.9 trillion of global debt that traded at a negative yield at the end of the second quarter. Said differently, there are $12.9 trillion of bonds where borrowers are knowingly entering into a contract to receive less money at some point in the future than they currently have today. The only lenses through which this makes any sense are the ones where the likelihood of deflation is seen as greater than the possibility of inflation, or where regulation and monetary policy have forced buyers to make uneconomic decisions.

We do not believe that it is a coincidence that at the moment bond markets seem to be throwing in the towel on the threat of future inflation, political populism is on the rise.

In the U.S., the Federal Reserve has a dual mandate of low unemployment and stable, moderate inflation. Historically, it has been generally accepted by central bankers that these two are linked as described by the Phillips curve, which posits an inverse relationship between the unemployment rate and the rate of inflation. To increase inflation, the Fed eases monetary policy to stimulate the economy and lower unemployment. As the labor market tightens, workers gain bargaining power, thereby putting upward pressure on wages and inflation.

This historical inverse relationship between unemployment and inflation seems to have broken down. Central bankers in the U.S., Japan and most of Europe have undertaken unprecedented monetary stimulus over the past decade, improving employment yet consistently failing to produce inflation that reaches their targets.

In retrospect, this failure should perhaps not be surprising against the backdrop of a growing and increasingly sophisticated global pool of labor, workers remaining in the workforce longer and increased potential for automation. In the U.S. and Europe, a large portion of the workforce is not the finite resource that it once was, and the ability for these workers to demand higher wages appears to have diminished.

Populist political candidates have gained influence by, among other things, tapping into voter frustration with a prolonged period of stagnant real wages. This trend has wide reaching implications for trade, immigration and foreign policy. It will likely also impact policy domestically.

More of the same (monetary stimulus) is likely beneficial for financial assets and unlikely to cause inflation. We will be watching for whether rising populism leads to an increase in free spending by governments that could then stoke higher inflation. Were this to occur, we believe that it would represent a major challenge to the supportive backdrop that has helped propel equity markets higher this year-to-date, and indeed over the last decade.

Anytime investors are certain something won't happen (in this case inflation), it is good to be mindful of the risks that the opposite occurs. We feel that The BeeHive Fund is well balanced with ample cash and portfolio holdings characterized by strong market positions, high profit margins and conservative balance sheets.

Shares	Security Description	Value
Common Stock - 96.0%		
Consumer Discretionary - 11.3%		
43,060	Aptiv PLC	$ 3,480,540
98,520	Comcast Corp., Class A	4,165,426
62,110	General Motors Co.	2,393,098
13,930	Whirlpool Corp.	1,983,075
44,230	Wyndham Hotels & Resorts, Inc.	2,465,380
		14,487,519
Consumer Staples - 7.5%		
81,940	Mondelez International, Inc., Class A	4,416,566
49,750	Nestle SA, ADR	5,144,150
		9,560,716
Energy - 3.8%		
59,400	Royal Dutch Shell PLC, ADR, Class B	3,904,956
26,110	Schlumberger, Ltd.	1,037,611
		4,942,567
Financials - 19.8%		
105,250	American International Group, Inc.	5,607,720
11,720	Berkshire Hathaway, Inc., Class B [(a)]	2,498,353
36,970	Chubb, Ltd.	5,445,311
86,730	CIT Group, Inc.	4,556,794
52,437	Citigroup, Inc.	3,672,163
31,610	JPMorgan Chase & Co.	3,533,998
		25,314,339
Health Care - 12.4%		
21,720	Allergan PLC	3,636,580
57,745	Gilead Sciences, Inc.	3,901,252
28,285	Thermo Fisher Scientific, Inc.	8,306,739
		15,844,571
Industrials - 11.4%		
106,770	BrightView Holdings, Inc. [(a)]	1,997,667
58,130	Danaher Corp.	8,307,939
76,820	Delta Air Lines, Inc.	4,359,535
		14,665,141
Materials - 7.7%		
90,840	Ball Corp.	6,357,892
57,510	Crown Holdings, Inc. [(a)]	3,513,861
		9,871,753
Software & Services - 19.0%		
3,082	Alphabet, Inc., Class A [(a)]	3,337,189
2,251	Alphabet, Inc., Class C [(a)]	2,433,128
74,230	Microsoft Corp.	9,943,851
54,360	Naspers, Ltd., ADR, Class N	2,632,655
104,780	Oracle Corp.	5,969,317
		24,316,140
Technology Hardware & Equipment - 3.1%		
19,910	Apple, Inc.	3,940,587
Total Common Stock (Cost $68,743,413)		**122,943,333**

Shares	Security Description	Value
Money Market Fund - 4.0%		
5,151,914	Goldman Sachs Financial Square Treasury Instruments Fund, Institutional Shares, 2.15% [(b)] (Cost $5,151,914)	5,151,914
Investments, at value - 100.0% (Cost $73,895,327)		**$ 128,095,247**
Other Assets & Liabilities, Net - 0.0%		**(20,068)**
Net Assets - 100.0%		**$ 128,075,179**

ADR American Depositary Receipt
PLC Public Limited Company
(a) Non-income producing security.
(b) Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of June 30, 2019.

The following is a summary of the inputs used to value the Fund's investments as of June 30, 2019.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in Note 2 of the accompanying Notes to Financial Statements.

Valuation Inputs	Investments in Securities
Level 1 - Quoted Prices	$ 122,943,333
Level 2 - Other Significant Observable Inputs	5,151,914
Level 3 - Significant Unobservable Inputs	–
Total	**$ 128,095,247**

The Level 1 value displayed in this table is Common Stock. The Level 2 value displayed in this table is a money market fund. Refer to this Schedule of Investments for a further breakout of each security by industry.

PORTFOLIO HOLDINGS
% of Total Investments

Consumer Discretionary	11.3%
Consumer Staples	7.5%
Energy	3.8%
Financials	19.8%
Health Care	12.4%
Industrials	11.4%
Materials	7.7%
Software & Services	19.0%
Technology Hardware & Equipment	3.1%
Money Market Fund	4.0%
	100.0%

ASSETS		
Investments, at value (Cost $73,895,327)	$	128,095,247
Receivables:		
Dividends		87,218
Prepaid expenses		6,811
Total Assets		128,189,276
LIABILITIES		
Accrued Liabilities:		
Investment advisor fees		77,371
Trustees' fees and expenses		84
Fund services fees		16,892
Other expenses		19,750
Total Liabilities		114,097
NET ASSETS	$	128,075,179
COMPONENTS OF NET ASSETS		
Paid-in capital	$	69,526,014
Distributable earnings		58,549,165
NET ASSETS	$	128,075,179
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)		7,725,706
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE	$	16.58

THE BEEHIVE FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2019

INVESTMENT INCOME		
Dividend income (Net of foreign withholding taxes of $19,454)	$	1,212,479
Total Investment Income		1,212,479
EXPENSES		
Investment advisor fees		443,729
Fund services fees		92,159
Custodian fees		6,151
Registration fees		3,186
Professional fees		21,051
Trustees' fees and expenses		3,339
Other expenses		15,053
Total Expenses		584,668
Investment advisor expense reimbursements recouped		1,057
Net Expenses		585,725
NET INVESTMENT INCOME		626,754
NET REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain on investments		3,261,286
Net change in unrealized appreciation (depreciation) on investments		23,413,432
NET REALIZED AND UNREALIZED GAIN		26,674,718
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$	27,301,472

THE BEEHIVE FUND
STATEMENTS OF CHANGES IN NET ASSETS

		For the Six Months Ended June 30, 2019		For the Year Ended December 31, 2018
OPERATIONS				
Net investment income	$	626,754	$	1,029,270
Net realized gain		3,261,286		4,126,819
Net change in unrealized appreciation (depreciation)		23,413,432		(18,107,908)
Increase (Decrease) in Net Assets Resulting from Operations		27,301,472		(12,951,819)
DISTRIBUTIONS TO SHAREHOLDERS				
Total Distributions Paid		–		(3,665,453)
CAPITAL SHARE TRANSACTIONS				
Sale of shares		1,040,970		3,266,141
Reinvestment of distributions		–		3,568,202
Redemption of shares		(5,672,997)		(15,686,872)
Decrease in Net Assets from Capital Share Transactions		(4,632,027)		(8,852,529)
Increase (Decrease) in Net Assets		22,669,445		(25,469,801)
NET ASSETS				
Beginning of Period		105,405,734		130,875,535
End of Period	$	128,075,179	$	105,405,734
SHARE TRANSACTIONS				
Sale of shares		74,349		208,651
Reinvestment of distributions		–		264,554
Redemption of shares		(396,577)		(1,020,150)
Decrease in Shares		(322,228)		(546,945)

These financial highlights reflect selected data for a share outstanding throughout each period.

	For the Six Months Ended June 30, 2019	For the Years Ended December 31,				
		2018	2017	2016	2015	2014
NET ASSET VALUE, Beginning of Period	$ 13.10	$ 15.23	$ 14.26	$ 13.64	$ 14.13	$ 13.75
INVESTMENT OPERATIONS						
Net investment income (a)	0.08	0.13	0.10	0.13	0.08	0.07
Net realized and unrealized gain (loss)	3.40	(1.79)	1.48	0.70	(0.28)	1.00
Total from Investment Operations	3.48	(1.66)	1.58	0.83	(0.20)	1.07
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	–	(0.13)	(0.09)	(0.13)	(0.08)	(0.07)
Net realized gain	–	(0.34)	(0.52)	(0.08)	(0.21)	(0.62)
Total Distributions to Shareholders	–	(0.47)	(0.61)	(0.21)	(0.29)	(0.69)
NET ASSET VALUE, End of Period	$ 16.58	$ 13.10	$ 15.23	$ 14.26	$ 13.64	$ 14.13
TOTAL RETURN	26.57%(b)	(10.98)%	11.07%	6.11%	(1.42)%	7.87%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of Period (000s omitted)	$ 128,075	$ 105,406	$ 130,876	$ 117,849	$ 113,313	$ 117,051
Ratios to Average Net Assets:						
Net investment income	1.06%(c)	0.84%	0.64%	0.99%	0.57%	0.50%
Net expenses	0.99%(c)(d)	0.99%	0.99%(d)	0.99%	0.99%(d)	0.99%(d)
Gross expenses	0.99%(c)	0.99%(e)	0.99%	1.00%(e)	0.98%	0.98%
PORTFOLIO TURNOVER RATE	5%(b)	10%	14%	15%	17%	25%

(a) Calculated based on average shares outstanding during each period.
(b) Not annualized.
(c) Annualized.
(d) Ratio includes waivers and previously waived investment advisory fees recovered. The impact of the recovered fees may cause a higher net expense ratio.
(e) Reflects the expense ratio excluding any waivers and/or reimbursements.

Note 1. Organization

The BeeHive Fund (the “Fund”) is a diversified portfolio of Forum Funds (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940, as amended (the “Act”). Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund’s shares of beneficial interest without par value. The Fund commenced operations on September 2, 2008. The Fund seeks capital appreciation.

Note 2. Summary of Significant Accounting Policies

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, “Financial Services – Investment Companies.” These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increases and decreases in net assets from operations during the fiscal period. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

Security Valuation – Securities are valued at market prices using the last quoted trade or official closing price from the principal exchange where the security is traded, as provided by independent pricing services on each Fund business day. In the absence of a last trade, securities are valued at the mean of the last bid and ask price provided by the pricing service. Shares of non-exchange traded open-end mutual funds are valued at net asset value (“NAV”). Short-term investments that mature in sixty days or less may be valued at amortized cost.

The Fund values its investments at fair value pursuant to procedures adopted by the Trust’s Board of Trustees (the “Board”) if (1) market quotations are not readily available or (2) the Advisor, as defined in Note 3, believes that the values available are unreliable. The Trust’s Valuation Committee, as defined in the Fund’s registration statement, performs certain functions as they relate to the administration and oversight of the Fund’s valuation procedures. Under these procedures, the Valuation Committee convenes on a regular and ad hoc basis to review such investments and considers a number of factors, including valuation methodologies and significant unobservable inputs, when arriving at fair value.

The Valuation Committee may work with the Advisor to provide valuation inputs. In determining fair valuations, inputs may include market-based analytics that may consider related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant investment information. Advisor inputs may include an income-based approach in which the anticipated future cash flows of the investment are discounted in determining fair value. Discounts may also be applied based on the nature or duration of any restrictions on the disposition of the investments. The Valuation Committee performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

Fair valuation is based on subjective factors and, as a result, the fair value price of an investment may differ from the security’s market price and may not be the price at which the asset may be sold. Fair valuation could result in a different NAV than a NAV determined by using market quotes.

GAAP has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various “inputs” used to determine the value of the Fund’s investments. These inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices in active markets for identical assets and liabilities.

Level 2 - Prices determined using significant other observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Short-term securities with maturities of sixty days or less are valued at amortized cost, which approximates market value, and are categorized as Level 2 in the hierarchy. Municipal securities, long-term U.S. government obligations and corporate debt securities are valued in accordance with the evaluated price supplied by the pricing service and generally categorized as Level 2 in the hierarchy. Other securities that are categorized as Level 2 in the hierarchy include, but are not limited to, warrants that do not trade on an exchange, securities valued at the mean between the last reported bid and ask quotation and international equity securities valued by an independent third party with adjustments for changes in value between the time of the securities’ respective local market closes and the close of the U.S. market.

Level 3 - Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The aggregate value by input level, as of June 30, 2019, for the Fund's investments is included at the end of the Fund's Schedule of Investments.

Security Transactions, Investment Income and Realized Gain and Loss – Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Foreign dividend income is recorded on the ex-dividend date or as soon as possible after determining the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding taxes, which are accrued as applicable. Interest income is recorded on an accrual basis. Premium is amortized and discount is accreted using the effective interest method. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

Distributions to Shareholders – The Fund declares any dividends from net investment income and pays them annually. Any net capital gains realized by the Fund are distributed at least annually. Distributions to shareholders are recorded on the ex-dividend date. Distributions are based on amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by the Fund, timing differences and differing characterizations of distributions made by the Fund.

Federal Taxes – The Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as amended ("Code"), and to distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all of its net investment income and capital gains, if any, the Fund will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. The Fund files a U.S. federal income and excise tax return as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of June 30, 2019, there are no uncertain tax positions that would require financial statement recognition, de-recognition or disclosure.

Income and Expense Allocation – The Trust accounts separately for the assets, liabilities and operations of each of its investment portfolios. Expenses that are directly attributable to more than one investment portfolio are allocated among the respective investment portfolios in an equitable manner.

Commitments and Contingencies – In the normal course of business, the Fund enters into contracts that provide general indemnifications by the Fund to the counterparty to the contract. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote. The Fund has determined that none of these arrangements requires disclosure on the Fund's balance sheet.

Note 3. Fees and Expenses

Investment Advisor – Spears Abacus Advisors LLC (the "Advisor") is the investment Advisor to the Fund. Pursuant to an investment advisory agreement, the Advisor receives an advisory fee, payable monthly, from the Fund at an annual rate of 0.75% of the Fund's average daily net assets.

Distribution – Foreside Fund Services, LLC serves as the Fund's distributor (the "Distributor"). The Distributor is not affiliated with the Advisor or Atlantic Fund Administration, LLC, a wholly owned subsidiary of Apex US Holdings, LLC (d/b/a Apex Fund Services) ("Apex") or their affiliates. The Fund has adopted a distribution plan in accordance with Rule 12b-1 of the Act. The Fund may pay the Distributor and/or any other entity as authorized by the Board a fee up to 0.25% of the Fund's average daily net assets. The Fund has suspended payments under its Rule 12b-1 plan until further notice and has not paid any distribution fees to date. The Fund may remove the suspension and make payments under the Rule 12b-1 plan at any time, subject to Board approval.

Other Service Providers – Apex provides fund accounting, fund administration, compliance and transfer agency services to the Fund. The fees related to these services are included in Fund services fees within the Statement of Operations. Apex also provides certain shareholder report production and EDGAR conversion and filing services. Pursuant to an Apex services agreement, the Fund pays Apex customary fees for its services. Apex provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer and an Anti-Money Laundering Officer to the Fund, as well as certain additional compliance support functions.

Trustees and Officers – Each Independent Trustee's annual retainer is $31,000 ($41,000 for the Chairman), and the Audit Committee Chairman receives an additional $2,000 annually. The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his or her duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees' fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

Note 4. Expense Reimbursement and Fees Waived

The Advisor has contractually agreed to waive its fee and/or reimburse Fund expenses to limit total annual Fund operating expenses after fee waiver and/or expense reimbursement (excluding taxes, interest, portfolio transaction expenses and extraordinary expenses) to 0.99% through April 30, 2020.

The Advisor may be reimbursed by the Fund for fees waived and expenses reimbursed pursuant to the Expense Cap if such payment is made within three years of the fee waiver or expense reimbursement and does not cause the total annual Fund operating expenses after fee waiver and/or expense reimbursement (excluding taxes, interest, portfolio transaction expenses and extraordinary expenses) of the Fund to exceed the lesser of (i) the then-current expense cap and (ii) the expense cap in place at the time the fees/ expenses were waived/reimbursed. As of June 30, 2019, $659 is subject to recapture by the Advisor.

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the period ended June 30, 2019, totaled $5,444,084 and $8,993,031, respectively.

Note 6. Federal Income Tax

As of June 30, 2019, cost for federal income tax purpose is substantially the same as for financial statement purposes and net unrealized appreciation consists of:

Gross Unrealized Appreciation	$	56,133,540
Gross Unrealized Depreciation		(1,933,620)
Net Unrealized Appreciation	$	54,199,920

As of December 31, 2018, distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	$	97
Undistributed Long-Term Gain		493,044
Unrealized Appreciation		30,754,552
Total	$	31,247,693

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to wash sales.

Note 7. Subsequent Events

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact, and the Fund has had no such events.

Investment Advisory Agreement Approval

At a meeting held on June 13, 2019, the Board of Trustees (the "Board") of Forum Funds (the "Trust), including the trustees who are not parties to the agreement or interested persons of any such party (other than as trustees of the Trust) (the "Independent Trustees"), considered the approval of an interim investment advisory agreement and a new investment advisory agreement (each, a "New Agreement") between the Advisor and the Trust, on behalf of The BeeHive Fund (the "Fund"). Each New Agreement was being considered in connection with the termination of the investment advisory agreement between the Advisor and the Trust, on behalf of the Fund, dated September 2, 2008 (the "Original Agreement") due to a transfer of a controlling interest in the voting securities of the Advisor by a control person to certain other employees of the Advisor (the "Transfer").

In preparation for its deliberations in considering the New Agreements, the Board requested and reviewed written responses from the Advisor to a due diligence questionnaire circulated on the Board's behalf concerning the Advisor's personnel, operations, financial condition, historic performance as employees of the Advisor, and services to be provided to the Fund by the Advisor. The Board also discussed the materials with Fund counsel and, as necessary, with the Trust's administrator. During its deliberations, the Board received an oral presentation from senior representatives of the Advisor and was assisted by the advice of Trustee counsel.

At the meeting, the Board reviewed, among other matters: (1) the nature, extent and quality of the services expected to be provided to the Fund by the Advisor under the New Agreements, including information on the investment performance of the Fund; (2) the anticipated costs of the services to be provided and projected profitability of the Advisor and its affiliates from the relationship with the Fund, including the contractual expense limitation arrangement for the Fund; (3) the advisory fees to be paid to the Advisor and total expense ratio of the Fund compared to relevant peer groups of funds; (4) the extent to which economies of scale may be realized as the Fund grows and whether the advisory fee structure enables investors to share in the benefits of economies of scale; and (5) other benefits expected to be received by the Advisor and its affiliates from their relationship with the Fund. In particular, the Board focused on the following factors and made the following conclusions in considering the approval of the New Agreements:

Nature, Extent and Quality of Services

Based on written materials received, a presentation from senior representatives of the Advisor regarding the Advisor's personnel, operations and financial condition, the Board considered the quality of services to be provided by the Advisor under the New Agreements. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at the Advisor who, under the Original Agreement had, and under each New Agreement would continue to have, principal responsibility for the Fund. The Board also considered the investment philosophy and decision-making process of those professionals and the capability and integrity of the Advisor's senior management and staff.

The Board considered also the adequacy of the Advisor's resources. The Board noted the Advisor's representations that the firm is in stable financial condition and that the Advisor has the operational capability and the necessary staffing and experience to continue providing high-quality investment advisory services to the Fund. Based on the presentation and the materials provided by the Advisor in connection with the Board's consideration of the approval of the New Agreements, the Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Fund under the New Agreements.

Performance

In connection with a presentation by the Advisor regarding its approach to managing the Fund, the Board reviewed the performance of the Fund compared to its benchmark index. The Board observed that the Fund underperformed the S&P 500 Index, the primary benchmark for the Fund, for the one-, three-, five-, and 10-year periods ended March 31, 2019, and for the period since the Fund's inception on September 2, 2008. The Board also considered the Fund's performance relative to an independent peer group of funds identified by Broadridge Financial Solutions, Inc. ("Broadridge") as having characteristics similar to the Fund, noting that, based on the information provided by Broadridge, the Fund underperformed the median of the Broadridge peer group for the one-, three-, and five-year periods ended March 31, 2019.

The Board noted the Advisor's representation that the Fund's underperformance relative to its Broadridge peer group and primary benchmark index could be attributed, in part, to two instances of poor stock selection in the short term, as well as active decisions by the Advisor to continue holding underperforming positions that the Advisor deemed to have attractive long-term fundamentals. The Board also noted the Advisor's representation that the Fund experienced a period of particularly volatile performance during the six months ended December 31, 2017, which had a disproportionately negative impact on the Fund's performance over longer time periods. The Board further noted the Advisor's representation that the Fund's portfolio is designed to benefit from compounding over the long term in order to grow investors' wealth. In addition, the Board noted the Advisor's representation that the portfolio, which has been the subject of continual reassessment, is composed of long-term investments that had outperformed during prior periods and for which the Advisor continues to have conviction. The Board noted further the Advisor's representation that the Fund's performance had improved over the last 12 to 18 months as the Advisor's perceived value in the stocks in the Fund's portfolio were gradually realized and that the Advisor believed that the Fund remained well positioned to continue to generate positive performance going forward. Based on the foregoing and other applicable considerations, the Board determined that the Fund and its shareholders could benefit from the Advisor's continued management of the Fund under the New Agreements.

Compensation

The Board evaluated the Advisor's proposed compensation under the New Agreements for providing advisory services to the Fund and analyzed comparative information on actual advisory fee rates and actual total expense ratios of the Fund's Broadridge peer group. The Board observed that the Advisor's actual advisory fee rate and the actual total expense ratio for the Fund were each higher than the median of its Broadridge peers, though the Board noted that the actual advisory fee rates and actual total expense ratios for each of the Broadridge peers, including the Fund, were within a close range. The Board also noted the Advisor's belief that the Advisor provided a high level of client service to the Fund's shareholders that the Advisor believed to be unique among its Broadridge peers. In addition, the Board noted that the Advisor did not believe the Broadridge peers were the most appropriate comparison for the Fund in terms of fees and expenses because some of the Broadridge peers are part of a significantly larger and more diversified family of funds, which may spread certain expenses across a significantly larger asset base. The Board also recognized that the advisory fee rate under each New Agreement was identical to the advisory fee rate under the Original Agreement, and that the Advisor had contractually agreed and would continue to contractually agree to waive its fees or reimburse Fund expenses to the extent necessary to keep the total expenses of the Fund at a reasonable level. Based on the foregoing and other applicable considerations, the Board concluded that the Advisor's advisory fee rate to be charged to the Fund under the New Agreements appeared to be reasonable in light of the nature, extent, and quality of services to be rendered by the Advisor.

Cost of Services and Profitability

The Board considered information provided by the Advisor regarding the costs of services and its profitability with respect to the Fund. In this regard, the Board considered the Advisor's resources devoted to the Fund, as well as the Advisor's discussion of the aggregate costs and profitability of its mutual fund activities. The Board noted the Advisor's representation that, although the Advisor does not maintain a separate profit and loss statement for the Fund, the Advisor believed that the Fund produces a lower profit margin than the Advisor's overall advisory business due to the larger allocation of time and expense required by the administrative and compliance efforts necessary to manage the Fund compared to the Advisor's other investment management offerings. The Board also noted that the Advisor had in place a contractual expense waiver to ensure that the expense ratio for the Fund remained at a reasonable level, resulting in the Advisor's partial subsidization of Fund expenses. Based on these and other applicable considerations, the Board concluded that the Advisor's profits attributable to management of the Fund were reasonable.

Economies of Scale

The Board evaluated whether the Fund would benefit from any economies of scale under the New Agreement. In this respect, the Board considered the Fund's fee structure, asset size and net expense ratio, giving effect to the contractual expense cap. The Board also considered the Advisor's representation that the Fund was not currently operating at economies of scale. Based on the foregoing and other applicable considerations, the Board concluded that economies of scale were not a material factor to consider in approving each New Agreement.

Other Benefits

The Board noted the Advisor's representation that, aside from its contractual advisory fees, it does not benefit in a material way from its relationship with the Fund. Based on the foregoing representation, the Board concluded that other benefits received by the Advisor from its relationship with the Fund were not a material factor to consider in approving each New Agreement.

Conclusion

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed a memorandum from Fund counsel discussing the legal standards applicable to its consideration of the New Agreements. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its reasonable business judgment, that the advisory arrangement, as outlined in the New Agreements, was fair and reasonable in light of the services to be performed, expenses to be incurred and such other matters as the Board considered relevant.

Proxy Voting Information

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (866) 684-4915 and on the U.S. Securities and Exchange Commission's (the "SEC") website at www.sec.gov. The Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (866) 684-4915 and on the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. These filings are available, without charge and upon request on the SEC's website at www.sec.gov or 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 (800) SEC-0330.

Shareholder Expense Example

As a shareholder of the Fund, you incur ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of $1,000 invested at the beginning of the period and held for the entire period from January 1, 2019 through June 30, 2019.

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

Hypothetical Example for Comparison Purposes – The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds.

	Beginning Account Value January 1, 2019	Ending Account Value June 30, 2019	Expenses Paid During Period*	Annualized Expense Ratio*
Actual	$ 1,000.00	$ 1,265.65	$ 5.56	0.99%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,019.89	$ 4.96	0.99%

* Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (181) divided by 365 to reflect the half-year period.

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