

Annual Report
December 31, 2022



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 December 31, 2022 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.

THE BEEHIVE FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

DECEMBER 31, 2022

Dear Shareholders:

- 2022 was a challenging year; interest rates and inflation were to blame.
- A short, shallow recession is the consensus view. We remain cautious until proven otherwise.
- The silver lining? Higher yields are good for bond investors. Lower stock prices are good for bargain hunters.
- We maintain our strategy of investing in businesses where the underlying fundamentals remain extremely attractive. We believe patient investors will be rewarded.

Market Overview

2022 was a challenging year. There is no way to soft-pedal the results. In round numbers, U.S., global and emerging market stock indices each declined approximately 20%. Long term bonds fared worse, falling nearly 30%. Broadly speaking, there was no place to hide.

As we have written previously, the culprit has been rising interest rates and the specter of significantly higher inflation. Central banks around the world have used monetary policy (raising interest rates) to try to tame rising prices. So far, that strategy has had greater impact on financial markets than the real economy. Most growth measures have remained resilient while the labor market is historically strong. Business revenue growth has been steady, though rising expenses have applied modest pressure to earnings. On the other hand, stock valuations have shrunk meaningfully.

As is often the case during sharp market declines, speculative investments performed the worst. Crypto currency became front page news, as price drops uncovered both well- and less-well-publicized crypto frauds. More traditional speculators were burned as well. An astonishing 613 special purpose acquisition companies (referred to as “SPACs” or blank check companies) were sold to the public in 2021. Retail investment “products,” such as exchange traded funds (“ETFs”), were created to give even broader access to these questionable investments. In 2022, DSPC¹, an ETF that invests in an index of SPACs, dropped 70%. In 2023, DSPC will close its doors and return what little remains of its investors’ capital.

Very long-term “visionary” investors also felt the sting of rising interest rates. Companies with great future promise but little or no current earnings were hit particularly hard. The once highly regarded Ark Innovation ETF, ARKK, held nearly \$30 billion of investor assets in early 2021 and declined 67% in 2022, as large holdings like Zoom Inc., Tesla and Shopify came down to earth.

Mainstream growth companies with higher-than-average valuations were also victims of higher rates. At Spears Abacus, we avoided the worst of these very large companies, but not all.

Name	2022 Return
Meta Platforms Inc. (Facebook)	-64.2%
Netflix, Inc.	-51.1%
Amazon.com, Inc.	-49.6%
Alphabet Inc. Class C*	-38.7%
Microsoft Corporation*	-27.9%
Apple Inc.*	-26.3%

**Held by The BeeHive Fund during the 2021-2022 period*

We have never felt completely comfortable with Meta/Facebook, Netflix or Amazon, which proved fortunate last year. However, the Fund’s holdings in Alphabet, Microsoft and Apple illustrate the challenges posed for investors, particularly those subject to capital gains tax (as the vast majority of the Fund’s shareholders are).

¹ AXS De-SPAC ETF *Source:* FactSet

THE BEEHIVE FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

DECEMBER 31, 2022

These three stocks had outsized performance over the three previous years, 2019 to 2021. As a result, their valuations were stretched. In our estimation, their underlying business fundamentals remain extremely attractive, and at current levels, their valuations seem more than reasonable. We believe patient investors will be rewarded.

In 2022, the Fund trailed its benchmark by slightly less than 1%. In part, this was due to the Fund's relative underweight in the energy, industrial and healthcare sectors. As mentioned above, long term holdings in Alphabet, Microsoft and Apple also detracted from performance. Over the longer periods, the Fund's relative performance has been impacted by our low-turnover, tax-efficient approach.

Looking ahead, we sense that a consensus has been reached by investors, observers and corporate executives. Most are confident that the Federal Reserve will successfully orchestrate the breaking of inflation². That leaves the question of how much collateral damage will be inflicted on the economy.

“Just about every region with the exception of China and Japan believes there is going to be some kind of economic slowdown. Ninety-eight percent of CEOs in the U.S. think there is going to be a recession – but it's going to be short and shallow.”

- Dana Peterson, Chief Economist of the Conference Board²

The economic press will expand its vocabulary or simply return to well-worn phrases like “goldilocks economy” and “soft-landing”. If this hallowed state is achieved, investors will cheer, and markets could rebound sharply. We believe this scenario is entirely possible; in it we believe that the Fund's investments would prosper. But we are mindful that optimistic projections do not always meet expectations. Consequently, your Fund's portfolio includes holdings that we believe will defend well against a more adverse environment. Rather than predicting dire circumstances, we think of this as insurance for negative events that might occur.

We always try to consider what might surprise investors in a way that would cause asset prices to fall. Of course, sometimes this is impossible. Events like Covid-19 or the war in Ukraine are manifestly unpredictable. However, there are more garden-variety surprises that might catch markets unaware. One consideration would be a longer than expected period of high inflation.

Jobs statistics have become the flavor of the month. Wage-induced inflation seems to be among central bankers' primary concerns. In previous recessions, corporations were quick to lay off workers in high-cost areas and eventually replace them with lower cost workers in China and other emerging markets. This strategy seems far less popular thanks to a shrinking labor force in developed economies and higher costs in emerging ones. In a Conference Board survey, U.S. CEOs preferred “pricing strategies” to layoffs². If wages continue to rise, central bankers, particularly in the U.S., may prefer to keep interest rates higher for longer than expected.

Last year's turmoil is forcing investors to differentiate between speculative and proven, between those that promise and those that deliver. This year is off to a good start. While the average stock may drop further, we believe investors will benefit from owning the most resilient businesses that provide goods or services to growing segments of the economy. At Spears Abacus, we continue to focus on just such investments in The BeeHive Fund and maintain our long-term optimism.

Regards,

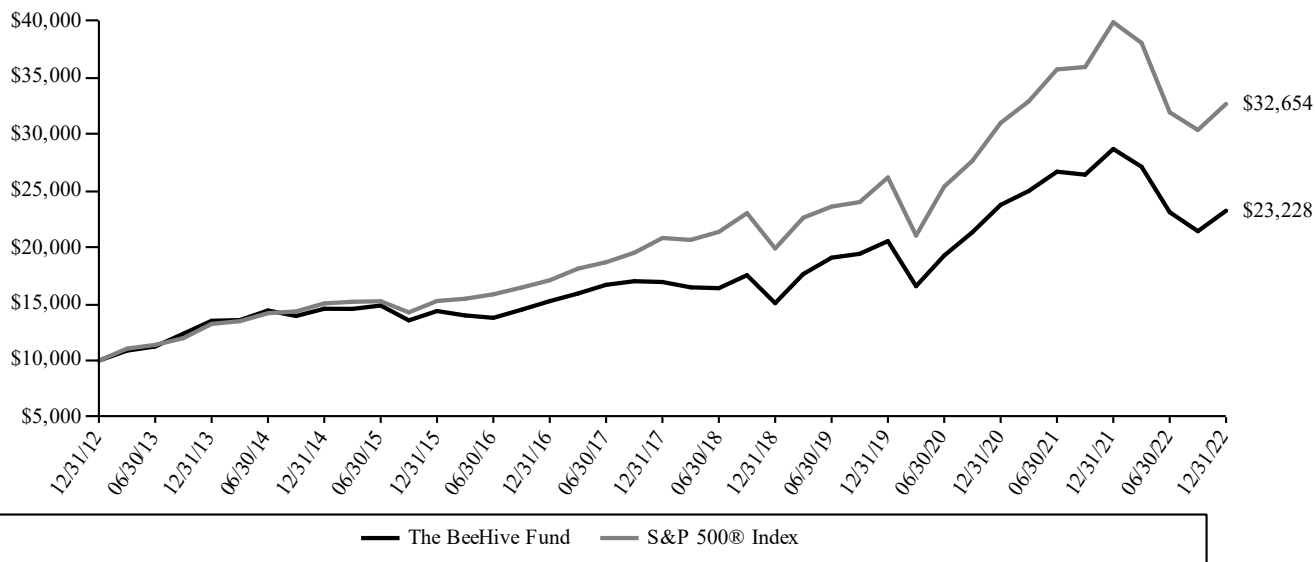
Spears Abacus

²Short U.S. Recession is Expected by CEOs – Theo Francis, *The Wall Street Journal* 1/13/2023 (print edition)

THE BEEHIVE FUND
PERFORMANCE CHART AND ANALYSIS (Unaudited)
DECEMBER 31, 2022

The following chart reflects the change in the value of a hypothetical \$10,000 investment, including reinvested dividends and distributions, in the Fund compared with the performance of the benchmark, S&P 500 Index (the "S&P 500"), over the past ten fiscal years. The S&P 500 is a broad-based measurement of the U.S. stock market based on the performance of 500 widely held large capitalization common stocks. The total return of the S&P 500 includes the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the S&P 500 does not include expenses. The Fund is professionally managed, while the S&P 500 is unmanaged and is not available for investment.

**Comparison of Change in Value of a \$10,000 Investment
in The BeeHive Fund vs. S&P 500® Index**



Average Annual Total Returns
Periods Ended December 31, 2022

	One Year	Five Year	Ten Year
The BeeHive Fund	-19.02%	6.52%	8.79%
S&P 500® Index	-18.11%	9.42%	12.56%

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please call (866) 684-4915. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 0.97%. However, the Fund's 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% of the Fund's average daily net assets through April 30, 2023 (the "Expense Cap"). The Expense Cap may be raised or eliminated only with the consent of the Board of Trustees. The advisor may recoup from the Fund fees waived and expenses reimbursed by the advisor pursuant to the Expense Cap if the recoupment is made within three years of the fee waiver or expense reimbursement and does not cause Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (after the recoupment has been taken into account) 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. Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement will increase if exclusions from the Expense Cap apply. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized.

THE BEEHIVE FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2022

ASSETS	
Investments, at value (Cost \$70,486,765)	\$ 136,063,250
Receivables:	
Dividends and interest	144,035
Prepaid expenses	4,465
Total Assets	<u>136,211,750</u>
LIABILITIES	
Payables:	
Distributions payable	22,384
Accrued Liabilities:	
Investment advisor fees	90,314
Fund services fees	17,315
Other expenses	29,493
Total Liabilities	<u>159,506</u>
NET ASSETS	<u>\$ 136,052,244</u>
COMPONENTS OF NET ASSETS	
Paid-in capital	\$ 70,734,826
Distributable Earnings	<u>65,317,418</u>
NET ASSETS	<u>\$ 136,052,244</u>
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)	<u>7,767,564</u>
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE	<u>\$ 17.52</u>

THE BEEHIVE FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

INVESTMENT INCOME

Dividend income (Net of foreign withholding taxes of \$43,554)	\$	1,469,477
Interest income		141,526
Total Investment Income		<u>1,611,003</u>

EXPENSES

Investment advisor fees		1,097,161
Fund services fees		213,289
Custodian fees		15,749
Registration fees		9,067
Professional fees		43,307
Trustees' fees and expenses		7,984
Other expenses		<u>46,392</u>
Total Expenses		1,432,949

NET INVESTMENT INCOME

178,054

NET REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain on investments	2,894,304
Net change in unrealized appreciation (depreciation) on investments	<u>(35,850,629)</u>

NET REALIZED AND UNREALIZED LOSS

(32,956,325)

DECREASE IN NET ASSETS RESULTING FROM OPERATIONS

\$ (32,778,271)

THE BEEHIVE FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended December 31,	
	2022	2021
OPERATIONS		
Net investment income	\$ 178,054	\$ 133,435
Net realized gain	2,894,304	7,531,633
Net change in unrealized appreciation (depreciation)	(35,850,629)	22,947,971
Increase (Decrease) in Net Assets Resulting from Operations	<u>(32,778,271)</u>	<u>30,613,039</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Total Distributions Paid	<u>(2,894,843)</u>	<u>(9,200,707)</u>
CAPITAL SHARE TRANSACTIONS		
Sale of shares	1,643,851	1,590,570
Reinvestment of distributions	2,532,217	8,958,806
Redemption of shares	(8,045,891)	(6,054,219)
Increase (Decrease) in Net Assets from Capital Share Transactions	<u>(3,869,823)</u>	<u>4,495,157</u>
Increase (Decrease) in Net Assets	<u>(39,542,937)</u>	<u>25,907,489</u>
NET ASSETS		
Beginning of Year	<u>175,595,181</u>	<u>149,687,692</u>
End of Year	<u>\$ 136,052,244</u>	<u>\$ 175,595,181</u>
SHARE TRANSACTIONS		
Sale of shares	83,365	74,670
Reinvestment of distributions	140,053	414,425
Redemption of shares	(403,858)	(288,033)
Increase (Decrease) in Shares	<u>(180,440)</u>	<u>201,062</u>

THE BEEHIVE FUND
FINANCIAL HIGHLIGHTS

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

	For the Year Ended December 31,				
	2022	2021	2020	2019	2018
NET ASSET VALUE, Beginning of Year	\$ 22.09	\$ 19.32	\$ 17.00	\$ 13.10	\$ 15.23
INVESTMENT OPERATIONS					
Net investment income (a)	0.02	0.02	0.04	0.24	0.13
Net realized and unrealized gain (loss)	(4.21)	3.97	2.61	4.50	(1.79)
Total from Investment Operations	(4.19)	3.99	2.65	4.74	(1.66)
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.02)	(0.02)	(0.04)	(0.24)	(0.13)
Net realized gain	(0.36)	(1.20)	(0.29)	(0.60)	(0.34)
Total Distributions to Shareholders	(0.38)	(1.22)	(0.33)	(0.84)	(0.47)
NET ASSET VALUE, End of Year	\$ 17.52	\$ 22.09	\$ 19.32	\$ 17.00	\$ 13.10
TOTAL RETURN	(19.02)%	20.79%	15.59%	36.28%	(10.98)%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	\$ 136,052	\$ 175,595	\$ 149,688	\$ 134,415	\$ 105,406
Ratios to Average Net Assets: (b)					
Net investment income	0.12%	0.08%	0.23%	1.49%	0.84%
Net expenses	0.98%	0.97%(c)	0.98%	0.98%	0.99%
Gross expenses	0.98%	0.97%	0.99%(d)	0.98%(d)	0.99%(d)
PORTFOLIO TURNOVER RATE	14%	14%	22%	10%	10%

(a) Calculated based on average shares outstanding during each year.

(b) The ratios of expenses and net investment income to average net assets do not reflect the Fund's proportionate share of income and expenses of underlying investment companies in which the Fund invests.

(c) Ratio includes waivers and previously waived investment advisory fees recovered. The impact of the recovered fees may cause a higher net expense ratio.

(d) 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 Accounting Standards Codification 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 year. 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.

Pursuant to Rule 2a-5 under the Act, the Trust’s Board of Trustees (the “Board”) has designated the Advisor, as defined in Note 3, as the Fund’s valuation designee, to perform any fair value determinations for securities and other assets held by the Fund. The Advisor is subject to the oversight of the Board and certain reporting and other requirements intended to provide the Board the information needed to oversee the Advisor’s fair value determinations. The Advisor is responsible for determining the fair value of investments for which market quotations are not readily available in accordance with policies and procedures that have been approved by the Board. Under these procedures, the Advisor 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 Board has approved the Advisor’s fair valuation procedures as a part of the Fund’s compliance program and will review any changes made to the procedures.

The Advisor provides fair 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 Advisor 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 a 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

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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 December 31, 2022, 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. Non-cash dividend income is recorded at the fair market value of the securities received. 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 to the next call date above par and discount is accreted to maturity 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 and net foreign currency 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 December 31, 2022, 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 (the “Distributor”), a wholly owned subsidiary of Foreside Financial Group, LLC (doing business as ACA Group), acts as the agent of the Trust in connection with the continuous offering of shares of the Fund. 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

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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 \$45,000 (\$55,000 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% of the Fund’s average daily net assets through April 30, 2023.

The Advisor may recoup from the Fund fees waived and expenses reimbursed by the Advisor pursuant to the Expense Cap if the recoupment 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 (after the recoupment has been taken into account) 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 December 31, 2022, \$0 is subject to recapture by the Advisor. Refer back to the Statement of Operations to see what was recouped during the year.

Note 5. Security Transactions

Investment transactions for the year ended December 31, 2022, excluding U.S. Government and Agency securities and short-term investments, were as follows:

<u>Non-U.S. Government Obligations</u>	
<u>Purchases</u>	<u>Sales</u>
\$ 18,968,633	\$ 39,775,018

Investment transactions in U.S. Government and Agency securities for the year ended December 31, 2022, were as follows:

<u>U.S. Government Obligations</u>	
<u>Purchases</u>	<u>Sales</u>
\$ 959,375	\$ 940,000

Note 6. Federal Income Tax

As of December 31, 2022, the cost of investments for federal income tax purposes is \$70,506,744, and the components of net unrealized appreciation were as follows:

Gross Unrealized Appreciation	\$ 67,549,256
Gross Unrealized Depreciation	<u>(1,992,750)</u>
Net Unrealized Appreciation	<u>\$ 65,556,506</u>

Distributions paid during the fiscal years ended as noted were characterized for tax purposes as follows:

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	<u>2022</u>	<u>2021</u>
Ordinary Income	\$ 182,044	\$ 148,822
Long-Term Capital Gain	<u>2,712,799</u>	<u>9,051,885</u>
	<u>\$ 2,894,843</u>	<u>\$ 9,200,707</u>

As of December 31, 2022, distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	\$ 1,933
Capital and Other Losses	(241,021)
Unrealized Appreciation	<u>65,556,506</u>
Total	<u>\$ 65,317,418</u>

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 post-October losses and wash sales.

For tax purposes, the current year post-October loss was \$241,021 (realized during the period November 1, 2022 through December 31, 2022). This loss will be recognized for tax purposes on the first business day of the Fund's next fiscal year, January 1, 2023.

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. Management has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events. Based on this evaluation, no additional disclosures or adjustments were required.

**To the Board of Trustees of Forum Funds
and the Shareholders of The BeeHive Fund**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of The BeeHive Fund, a series of shares of beneficial interest in Forum Funds (the “*Fund*”), including the schedule of investments, as of December 31, 2022, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended, and the related notes (collectively referred to as the “*financial statements*”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and its financial highlights for each of the years in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“*PCAOB*”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities law and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2022 by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

BBD, LLP

BBD, LLP

We have served as the auditor of one of more of the Funds in the Forum Funds since 2008.

**Philadelphia, Pennsylvania
February 24, 2023**

THE BEEHIVE FUND

ADDITIONAL INFORMATION (Unaudited)

DECEMBER 31, 2022

Investment Advisory Agreement Approval

At the September 15, 2022 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement between the Advisor and the Trust pertaining to the Fund (the “Advisory Agreement”). In preparation for its deliberations, the Board requested and reviewed written responses from the Advisor to a due diligence questionnaire circulated on the Board's behalf concerning the services provided 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 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 provided to the Fund by the Advisor, including information on the investment performance of the Fund; (2) the costs of the services provided and profitability to the Advisor with respect to its relationship with the Fund; (3) the advisory fee and total expense ratio of the Fund compared to those of a relevant peer group of funds; (4) the extent to which economies of scale may be realized as the Fund grows and whether the advisory fee enables the Fund's investors to share in the benefits of economies of scale; and (5) other benefits received by the Advisor from its relationship with the Fund. In addition, the Board recognized that the evaluation process with respect to the Advisor was an ongoing one and, in this regard, the Board considered information provided by the Advisor at regularly scheduled meetings during the past year.

Nature, Extent and Quality of Services

Based on written materials received, a presentation from senior representatives of the Advisor and a discussion with the Advisor about the Advisor's personnel, operations and financial condition, the Board considered the quality of services provided by the Advisor under the Advisory Agreement. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at the Advisor with principal responsibility for the Fund's investments, as well as the investment philosophy and decision-making process of the Advisor 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 representation that the firm is in stable financial condition and that the firm has the operational capability, the staffing and experience and the financial strength necessary 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 renewal of the Advisory Agreement, the Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Fund under the Advisory Agreement.

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 primary benchmark index. The Board observed that the Fund underperformed its primary benchmark, the S&P 500 Index, for the one-, three-, five-, and 10-year periods ended June 30, 2022, 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 Strategic Insight, Inc. (“Strategic Insight”) as having characteristics similar to the Fund, noting that, based on the information provided by Strategic Insight, the Fund underperformed the average of its Strategic Insight peer group for the one-, three-, five-, and 10-year periods ended June 30, 2022.

The Board noted the Advisor's representation that the Fund's relative underperformance could be attributed, at least in part, to underweight exposure to certain outperforming sectors relative to the benchmark and peers during the most recent one-year period. The Board also noted the Advisor's representation that the Fund's underperformance during the six-month period ended December 31, 2017 had a disproportionately negative impact on the Fund's longer-term performance. The Board noted further the Advisor's representation that the investment process for the Fund is focused on identifying high-quality businesses with durable profit growth and that, in periods of strong economic growth and exuberant investor sentiment, such as the market environment of the last several years, these attributes tend to be out of favor in the market. The Board considered the Advisor's explanation that, in 2019, when there were concerns about economic growth and the U.S. Federal Reserve cut interest rates, the Fund outperformed its benchmark for the one-year period ended December 31, 2019. Finally, the Board noted the Advisor's representation that, based on the Advisor's communications with Fund shareholders and the predominantly taxable shareholder base, the Advisor remained sensitive to the tax

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ADDITIONAL INFORMATION (Unaudited)

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implications of portfolio turnover, which, in certain cases, has led to holding investments with unrealized capital gains that current market sentiment indicates are overvalued relative to alternatives in the market. The Board observed that the Fund's tax sensitivity could, and had, resulted in, differences in the performance of the Fund compared to its peers and benchmark. The Board noted the Advisor's representation that the Fund's shareholders with whom the Advisor had communicated consistently and repeatedly expressed comfort with and confidence in the investment approach for the Fund.

Based on the foregoing, including the Advisor's representations regarding the Fund's performance and other applicable considerations, the Board determined that the Fund and its shareholders could benefit from the Advisor's continued management of the Fund.

Compensation

The Board evaluated the Advisor's compensation for providing advisory services to the Fund and analyzed comparative information on net advisory fee rates and actual total expense ratios of the Fund compared to its Strategic Insight peer group. The Board observed that, although the net advisory fee for the Fund was higher than the median of the Strategic Insight peer group, it was within a reasonable range. The Board also observed that the Fund's total expense ratio was lower than the median of the Strategic Insight peer group. In addition, the Board noted that the Advisor had contractually agreed to waive its fees or reimburse Fund expenses to the extent necessary to keep the total expenses of the Fund (subject to certain exceptions) at or below 0.99%. Based on the foregoing and other applicable considerations, the Board concluded that the advisory fee rate charged to the Fund was reasonable.

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 costs and profitability of its Fund activities. The Board noted the Advisor's representation that it did not maintain separately identifiable profit and loss information for the Fund. Based on other applicable considerations, however, including financial statements from the Advisor indicating its profitability and expenses from overall operations and the Advisor's representation that the Fund required significantly more attention and resources than the other accounts managed by the Advisor, the Board concluded that the Advisor's costs of services and 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. In this regard, the Board considered the Fund's fee structure, asset size, and net expense ratio. The Board noted the Advisor's representation that the Fund could potentially benefit from economies of scale if its assets were to increase but that, in light of the Fund's relatively low asset level and because the Advisor was already waiving a portion of its contractual advisory fee in order to keep the Fund's expenses at or below the agreed-upon expense cap, the Advisor was not proposing breakpoints in the advisory fee at this time. Based on the foregoing and other applicable considerations, including the size of the Fund, the Board concluded that any existing economies of scale were addressed in the Fund's expense cap structure and that the information presented was consistent with the renewal of the Advisory Agreement at current fee levels.

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 the continuation of the Advisory 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 Advisory Agreement. 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 Advisory

Agreement, was fair and reasonable in light of the services performed or to be performed, expenses incurred or to be incurred and such other matters as the Board considered relevant.

Liquidity Risk Management Program

The Fund has adopted and implemented a written liquidity risk management program, as required by Rule 22e-4 (the “Liquidity Rule”) under the Act. The liquidity risk management program is reasonably designed to assess and manage the Fund’s liquidity risk, taking into consideration, among other factors, the Fund’s investment strategy and the liquidity of the portfolio investments during normal and reasonably foreseeable stressed conditions, its short and long-term cash flow projections and its cash holdings and access to other funding sources.

The Board approved the designation of a Liquidity Committee as the administrator of the liquidity risk management program (the “Program Administrator”). The Program Administrator is responsible for the administration and oversight of the program and for reporting to the Board on at least an annual basis regarding, among other things, the program’s operation, adequacy, and effectiveness. The Program Administrator assessed the Fund’s liquidity risk profile based on information gathered for the period July 1, 2021 through June 30, 2022 in order to prepare a written report to the Board for review at its meeting held on September 15, 2022.

The Program Administrator’s written report stated that: (i) the Fund is able to meet redemptions in normal and reasonably foreseeable stressed conditions and without significant dilution of remaining shareholders’ interests in the Fund; (ii) the Fund’s strategy is appropriate for an open-end mutual fund; (iii) the liquidity classification determinations regarding the Fund’s portfolio investments, which take into account a variety of factors and may incorporate analysis from one or more third-party data vendors, remained appropriate; (iv) the Fund did not approach the internal triggers set forth in the liquidity risk management program or the regulatory percentage limitation (15%) on holdings in illiquid investments; (v) it continues to be appropriate to not set a “highly liquid investment minimum” for the Fund because the Fund primarily holds “highly liquid investments”; and (vi) the liquidity risk management program remains reasonably designed and adequately implemented to prevent violations of the Liquidity Rule. No significant liquidity events impacting the Fund or proposed changes to the Program were noted in the report.

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-PORT. Forms N-PORT are available free of charge on the SEC’s website at www.sec.gov.

Federal Tax Status of Dividends Declared during the Fiscal Year

For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Fund designates 100.00% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 100.00% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Code. The Fund also designates 7.57% as qualified interest income exempt from U.S. tax for foreign shareholders (QII). The Fund also designates 0.00% as short-term capital gain dividends exempt from U.S. tax for foreign shareholders (QSD). The Fund paid long-term capital gain dividends of \$2,712,799.

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 ADDITIONAL INFORMATION (Unaudited)
 DECEMBER 31, 2022

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 July 1, 2022 through December 31, 2022.

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 July 1, 2022	Ending Account Value December 31, 2022	Expenses Paid During Period*	Annualized Expense Ratio*
Actual	\$ 1,000.00	\$ 1,005.50	\$ 5.00	0.99%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,020.20	\$ 5.04	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 (184) divided by 365 to reflect the half-year period.

Trustees and Officers of the Trust

The Board is responsible for oversight of the management of the Trust’s business affairs and of the exercise of all the Trust’s powers except those reserved for the shareholders. The following table provides information about each Trustee and certain officers of the Trust. Each Trustee and officer holds office until the person resigns, is removed or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is Three Canal Plaza, Suite 600, Portland, Maine 04101. The Fund’s Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (866) 684-4915.

THE BEEHIVE FUND

ADDITIONAL INFORMATION (Unaudited)

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Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Series in Fund Complex Overseen By Trustee	Other Directorships Held By Trustee During Past Five Years
Independent Trustees					
David Tucker Born: 1958	Trustee; Chairman of the Board	Since 2011 and Chairman since 2018	Director, Blue Sky Experience (a charitable endeavor) since 2008; Senior Vice President & General Counsel, American Century Companies (an investment management firm) 1998-2008.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
Mark D. Moyer Born: 1959	Trustee; Chairman of the Audit Committee	Since 2018	Chief Financial Officer, Freedom House (a NGO advocating political freedom and democracy) 2017-2021; independent consultant providing interim CFO services, principally to non-profit organizations, 2011-2017.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
Jennifer Brown-Strabley Born: 1964	Trustee	Since 2018	Principal, Portland Global Advisors (a registered investment adviser), 1996-2010.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
Interested Trustees⁽¹⁾					
Jessica Chase Born: 1970	Trustee	Since 2018	Director, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.	1	Trustee, Forum Funds II and U.S. Global Investors Funds

⁽¹⁾Jessica Chase is currently an interested person of the Trust, as defined in the Act, due to her affiliation with Apex Fund Services and her role as President of the Trust. Apex Fund Services is a wholly owned subsidiary of Apex US Holdings LLC.

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years
Officers			
Jessica Chase Born: 1970	President; Principal Executive Officer	Since 2015	Director, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.
Zachary Tackett Born: 1988	Vice President; Secretary and Anti-Money Laundering Compliance Officer	Since 2014	Senior Counsel, Apex Fund Services since 2019; Counsel, Atlantic Fund Services 2014-2019.
Carlyn Edgar Born: 1963	Chief Compliance Officer and Vice President	Chief Compliance Officer 2008-2016 and 2021-current; Vice President since 2008	Senior Vice President, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.

THE BEEHIVE FUND
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The report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's risks, objectives, fees and expenses, experience of its management and other information.

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