Annual Report

December 31, 2018

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, 2018, 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,

Like a perfectly normal teenager, markets experienced exhilarating highs and devastating lows in 2018. The year started with a bang but ended with a sickening thud. From an all-time high of 2,940.91 points on September 21st, the S&P 500 dropped 13.96%. For the year, this widely followed index of U.S. stocks declined 4.38%. For most investors, actual results were worse, as the Russell 1000 Equal Weighted Index (which measures the average U.S. stock price) declined more than twice as much. Those who sought opportunity abroad found even more pain instead. When measured in dollar terms, most developed markets fell about 20%. Chinese stocks fared worse. Most commodities fell into negative territory, led by a 40% decline in the price of oil over just the last three months of the year. [1]

Unlike the placid and profitable markets of 2017, 2018 was marked by petulance and volatility. The number of days in which stocks fluctuated more than 1% (in either direction) skyrocketed. A year ago, there were a total of eight days in which stocks were either up or down more than 1%. In 2018, there were 64 (about one every four trading days). On six separate occasions, the S&P moved more than 3%. Unfortunately, five of those moves were negative. The two obvious questions are: What changed, and what does it mean for the future?

In our view, the most significant culprit has been the combination of rising interest rates and the early signs that the U.S. economy may finally be slowing down.

The Federal Reserve (the "Fed") has raised interest rates five times over the past 13 months, increasing the Fed Funds rate by 125 bps. The lagged effect of tighter monetary conditions on the economy is starting to become visible in the form of a decline in new home sales and construction, a slight softening of auto sales, and a pullback in consumer confidence from record highs. Whether the Fed's actions are meant to soften a potentially overly exuberant economy, or they are using a strong economy as cover to "normalize" interest rates and policy is irrelevant. The impact has been the same and not helpful for short-term asset prices.

Lurking just beneath the surface is the fear that we might be in the process of reliving the market debacle of 2007/2008. We strongly believe that concern to be unfounded.

We have commented before that the gradual nature of this economic recovery has also contributed to its duration. The pain of the 2008 collapse was lasting, and the excesses that have historically been associated with an overheating economy have been slow to form. New home starts at their peak in early 2018 were running at 1,334,000, only 2% above the 30-year average and 41% below the 2006 peak. Despite an unemployment rate of 3.7%, wage growth is barely in excess of 2%. And stock market valuations after a nearly ten-year bull run are nowhere near the nosebleed levels observed in 2000. This does not mean that there are not pockets of "irrational exuberance," but we believe it is difficult to identify large bubbles waiting to pop.

There is also no denying that our banking system stands better prepared to weather a storm than it did a decade ago. This is vividly illustrated by the below balance sheet, which aggregates the balance sheets of Bank of America, JP Morgan, and Citigroup and compares the 2007 figures to today. Equity has risen by almost 50%, from 7% to 10.5% of assets. Conservative measures, such as cash held and deposit funding, have increased significantly, while indicators of risk (debt and trading assets) have been meaningfully reduced. In short, Fed supervision and annual stress tests have accomplished the intended goal.

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[1] FactSet

	2007	Q3 2018
Cash	211,617	815,958
Loans	2,285,543	2,602,293
Trading Assets	1,197,356	951,966
Securities, Fed Funds Sold and Other Assets	1,775,950	2,509,044
Total Assets	**5,470,466**	**6,879,261**
Deposits	2,373,303	3,809,785
Trading and Other Liabilities	1,453,964	1,414,193
Debt	1,250,954	936,073
Total Liabilities	**5,078,221**	**6,160,051**
Equity	**392,245**	**719,210**
Cash % of Assets	4%	12%
Deposits as a % of Loans	104%	146%
Debt as a % of Equity	319%	130%
Trading Assets % of Assets	22%	14%

The BeeHive Fund

Throughout this bull market, we have avoided the siren song of asset class diversification. Making an active decision to concentrate the Fund's portfolio almost exclusively on large U.S. equities and cash has been a significant benefit, especially in 2018. As we noted earlier, international markets, both developed and emerging, have lagged the U.S. by more than 10% during 2018. Since 2009, they have provided less than half the return. Advocates for global equity diversification promised a reduction of risk but delivered only a reduction of returns. We believe that one should venture abroad only in search of superior returns, not in response to an academic theory on reducing volatility. During the first quarter of 2018, your Fund's non-U.S. stocks did just that, with Royal Dutch Petroleum, Nestle and Naspers outperforming the S&P 500.

The Fund has benefitted somewhat from a greater-than-usual level of cash. Although the Fund underperformed the S&P 500, it was roughly in line with the average stock in the U.S.[2] Because the Fund's portfolio is reasonably concentrated, we can attribute relative performance to both stocks we own and those we do not.

Though healthcare technology has been a bright spot, the Fund's investments in pharmaceutical producers have been disappointing. Allergan, Gilead and Celgene are stable businesses with significantly above-average returns on capital and trade at meaningful discount to the market as a whole. Usually, stocks with these characteristics are defensive during a market decline. Not so in 2018, especially during the fourth quarter. However, we are not alone in finding value in this segment.

There was a similar narrative in the financial sector. The BeeHive Fund's cheapest holdings (those that trade at a discount to tangible book value) meaningfully underperformed both market and sector, especially in the fourth quarter. Those that trade at a premium, performed better. Not what we would expect in times of stress.

[2]Russell 1000 Equal Weighted Index

It also bears noting that Apple, one of the Fund's more profitable long-term holdings, performed very poorly in the fourth quarter on the heels of disappointing sales of its latest generation of iPhones. After the New Year, the company announced that sales in emerging markets, particularly China, continue to be softer than expected. However, the installed base of phones hit an all-time high and non-iPhone revenue continues to grow at close to a 20% annual rate. We feel that these are healthy indicators for future growth.

We have and will continue to be bystanders to the fad of momentum investing (buying last year's best performers on the theory that they will continue to find favor in the market). According to a recent study, "quantitative hedge funds, or those that rely on computer models rather than research and intuition, account for 28.7% of trading in the stock market…a share that's more than doubled since 2013. They now trade more than retail investors, and everyone else."[3] Momentum is a primary tool of quantitative investors, and they are pushing yesterday's winners to valuations we find unappealing and unsustainable. We prefer to hunt for bargains.

Looking Forward

As noted earlier, in our opinion, the U.S. economy shows signs of at least a marginal slow down; however, the rest of the world looks worse. Despite extraordinary monetary stimulus, neither Europe nor Japan have managed to escape their malaise. We believe China, always a wild card because of the opaque nature of its economic reporting, has the most at stake in an environment of escalating tariffs. It is possible that an easier than expected Brexit, a constructive trade agreement between the U.S. and China and/or a more stable and predictable U.S. policy will provide an upside surprise. However, we think the more likely outcome is reduced global growth.

That 2019 would be a challenge for the economy was not our base case at the beginning of 2018, but the Fund's moves during the year reflected the growing possibility. In addition to maintaining an elevated cash balance, we trimmed your position in Aptiv and exited positions in UPS and Adient, all three relatively sensitive to economic activity. We also added positions in Mondelez (the maker of Oreo cookies among other snack foods) and Crown Holdings (a food and beverage can maker) partially due to the stability of their core businesses. Lastly, we initiated a positon in General Motors, a cyclical business but one where we deemed that the shares already discounted the possibility of a near-term severe recession.

We think we may be on the cusp of an important shift in market dynamics. If we are right on our call that 2019 will be characterized by slow growth or even a mild recession, we believe that currently cheap stocks will handily outperform the market for two powerful reasons: 1) the next recession will prove that fears of another financial crisis are vastly exaggerated, and 2) a more difficult economic condition will highlight the significant operational improvements many cyclical companies have made. Certain businesses that have historically hemorrhaged cash during a slowdown appear to be positioned to remain profitable throughout the cycle. When this becomes apparent to other investors, we strongly believe valuations will rise.

With almost half of the companies held by the Fund trading at single digit price-to-earnings multiples on our estimates of 2019 earnings, we believe that your portfolio is extremely well-positioned to withstand and potentially profit from a more challenging environment.

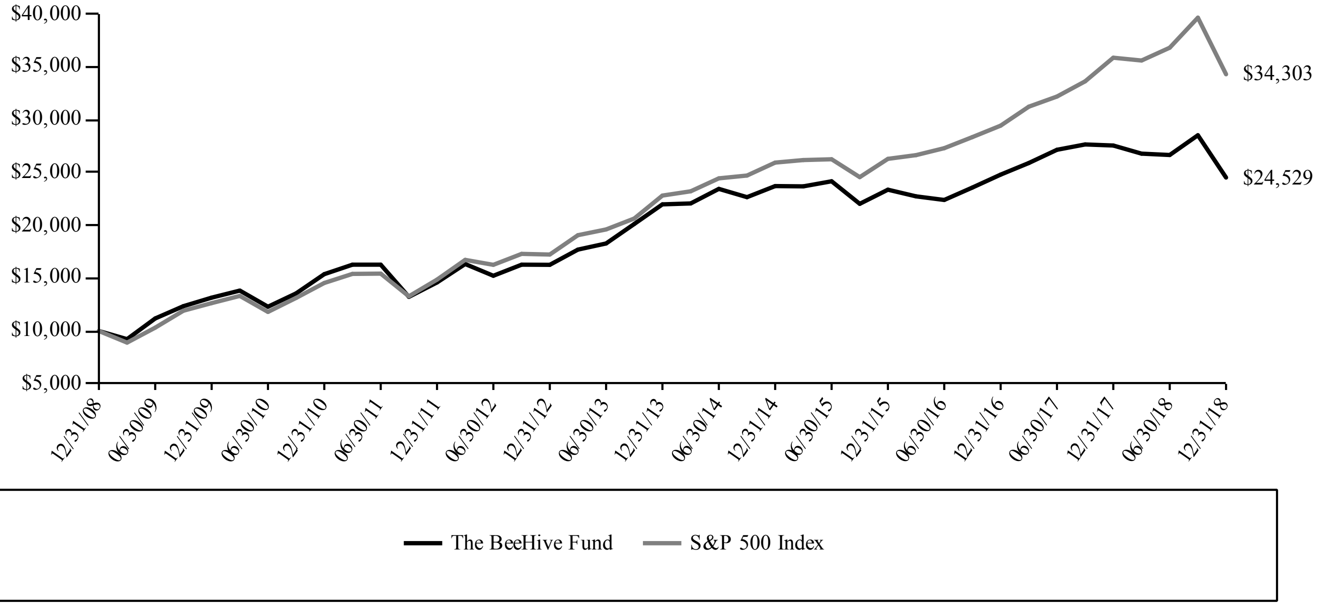
Regards,

Spears Abacus

[3]Zuckerman, Levy, Timiraos and Bannerji. "Behind the Market Swoon: The Herdlike Behavior of Computerized Trading," The Wall Street Journal, December 25, 2018.

The following chart reflects the change in the value of a hypothetical $10,000 investment, including reinvested dividends and distributions, in The BeeHive Fund (the "Fund") compared with the performance of the benchmark, S&P 500 Index (the "S&P 500"), since inception. 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, 2018**	**One Year**	**Five Year**	**Ten Year**
The BeeHive Fund	-10.98%	2.21%	9.39%
S&P 500® Index	-4.38%	8.49%	13.12%

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. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 1.00%. 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%, through April 30, 2019 (the "Expense Cap"). The Expense Cap may be raised or eliminated only with the consent of the Board of Trustees. The advisor may be reimbursed by the Fund for fees waived and expenses reimbursed by the advisor 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 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. For the most recent month-end performance, please call (866) 684-4915.*

Shares	Security Description	Value
Common Stock - 94.6%		
Consumer Discretionary - 9.4%		
43,060	Aptiv PLC	$ 2,651,204
98,520	Comcast Corp., Class A	3,354,606
21,616	Delphi Technologies PLC	309,541
62,110	General Motors Co.	2,077,580
13,930	Whirlpool Corp.	1,488,699
		9,881,630
Consumer Staples - 6.9%		
81,940	Mondelez International, Inc., Class A	3,280,058
49,750	Nestle SA, ADR	4,027,760
		7,307,818
Energy - 4.3%		
59,400	Royal Dutch Shell PLC, ADR, Class B	3,560,436
26,110	Schlumberger, Ltd.	942,049
		4,502,485
Financials - 20.2%		
105,250	American International Group, Inc.	4,147,902
36,970	Chubb, Ltd.	4,775,785
86,730	CIT Group, Inc.	3,319,157
52,437	Citigroup, Inc.	2,729,870
31,610	JPMorgan Chase & Co.	3,085,768
78,694	MetLife, Inc.	3,231,176
		21,289,658
Health Care - 14.5%		
21,720	Allergan PLC	2,903,095
40,340	Celgene Corp. (a)	2,585,391
54,615	Gilead Sciences, Inc.	3,416,168
28,285	Thermo Fisher Scientific, Inc.	6,329,900
		15,234,554
Industrials - 10.0%		
70,470	BrightView Holdings, Inc. (a)	719,499
58,130	Danaher Corp.	5,994,365
76,820	Delta Air Lines, Inc.	3,833,318
		10,547,182
Materials - 6.2%		
90,840	Ball Corp.	4,176,823
57,510	Crown Holdings, Inc. (a)	2,390,691
		6,567,514
Software & Services - 18.9%		
3,082	Alphabet, Inc., Class A (a)	3,220,567
2,251	Alphabet, Inc., Class C (a)	2,331,158
74,230	Microsoft Corp.	7,539,541
54,360	Naspers, Ltd., ADR, Class N	2,155,646
104,780	Oracle Corp.	4,730,817
		19,977,729
Technology Hardware & Equipment - 4.2%		
28,070	Apple, Inc.	4,427,762
Total Common Stock (Cost $68,949,844)		**99,736,332**
Money Market Fund - 4.9%		
5,153,267	Goldman Sachs Financial Square Treasury Instruments Fund, Institutional Shares, 2.22% (b) (Cost $5,153,267)	5,153,267
Investments, at value - 99.5% (Cost $74,103,111)		**$ 104,889,599**
Other Assets & Liabilities, Net - 0.5%		**516,135**
Net Assets - 100.0%		**$ 105,405,734**

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 December 31, 2018.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2018.

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	$ 99,736,332
Level 2 - Other Significant Observable Inputs	5,153,267
Level 3 - Significant Unobservable Inputs	–
Total	**$ 104,889,599**

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 (Unaudited)
% of Total Investments

Consumer Discretionary	9.4%
Consumer Staples	7.0%
Energy	4.3%
Financials	20.3%
Health Care	14.5%
Industrials	10.1%
Materials	6.3%
Software & Services	19.0%
Technology Hardware & Equipment	4.2%
Money Market Fund	4.9%
	100.0%

THE BEEHIVE FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2018

ASSETS		
Investments, at value (Cost $74,103,111)	$	104,889,599
Cash		2,484
Receivables:		
Investment securities sold		730,322
Dividends		107,842
Prepaid expenses		3,496
Total Assets		105,733,743
LIABILITIES		
Payables:		
Investment securities purchased		195,655
Distributions payable		27,427
Accrued Liabilities:		
Investment Advisor fees		63,848
Fund services fees		14,540
Other expenses		26,539
Total Liabilities		328,009
NET ASSETS	$	105,405,734
COMPONENTS OF NET ASSETS		
Paid-in capital	$	74,158,041
Distributable earnings		31,247,693
NET ASSETS	$	105,405,734
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)		8,047,934
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE	$	13.10

See Notes to Financial Statements.

THE BEEHIVE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2018

INVESTMENT INCOME	
Dividend income (Net of foreign withholding taxes of $44,237)	$ 2,240,169
Total Investment Income	2,240,169
EXPENSES	
Investment advisor fees	919,482
Fund services fees	186,829
Custodian fees	13,260
Registration fees	7,600
Professional fees	47,737
Trustees' fees and expenses	6,929
Other expenses	30,915
Total Expenses	1,212,752
Fees waived and expenses reimbursed	(1,853)
Net Expenses	1,210,899
NET INVESTMENT INCOME	1,029,270
NET REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain on investments	4,126,819
Net change in unrealized appreciation (depreciation) on investments	(18,107,908)
NET REALIZED AND UNREALIZED LOSS	(13,981,089)
DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (12,951,819)

See Notes to Financial Statements.

	For the Years Ended December 31, 2018	2017
OPERATIONS		
Net investment income	$ 1,029,270	$ 816,268
Net realized gain	4,126,819	3,264,000
Net change in unrealized appreciation (depreciation)	(18,107,908)	9,034,681
Increase (Decrease) in Net Assets Resulting from Operations	(12,951,819)	13,114,949
DISTRIBUTIONS TO SHAREHOLDERS		
Total Distributions Paid	(3,665,453)	(5,077,831)*
CAPITAL SHARE TRANSACTIONS		
Sale of shares	3,266,141	9,939,469
Reinvestment of distributions	3,568,202	4,933,482
Redemption of shares	(15,686,872)	(9,883,267)
Increase (Decrease) in Net Assets from Capital Share Transactions	(8,852,529)	4,989,684
Increase (Decrease) in Net Assets	(25,469,801)	13,026,802
NET ASSETS		
Beginning of Year	130,875,535	117,848,733
End of Year	$ 105,405,734	$ 130,875,535**
SHARE TRANSACTIONS		
Sale of shares	208,651	680,249
Reinvestment of distributions	264,554	320,916
Redemption of shares	(1,020,150)	(667,846)
Increase (Decrease) in Shares	(546,945)	333,319

* Distributions were the result of net investment income and net realized gain of $794,709 and $4,283,122, respectively, at December 31, 2017.

** Includes undistributed net investment income of $73 at December 31, 2017. The requirement to disclose the corresponding amount as of December 31, 2018 was eliminated.

THE BEEHIVE FUND
FINANCIAL HIGHLIGHTS

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

	For the Years Ended December 31,				
	2018	2017	2016	2015	2014
NET ASSET VALUE, Beginning of Year	$ 15.23	$ 14.26	$ 13.64	$ 14.13	$ 13.75
INVESTMENT OPERATIONS					
Net investment income (a)	0.13	0.10	0.13	0.08	0.07
Net realized and unrealized gain (loss)	(1.79)	1.48	0.70	(0.28)	1.00
Total from Investment Operations	(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 Year	$ 13.10	$ 15.23	$ 14.26	$ 13.64	$ 14.13
TOTAL RETURN	(10.98)%	11.07%	6.11%	(1.42)%	7.87%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	$ 105,406	$ 130,876	$ 117,849	$ 113,313	$ 117,051
Ratios to Average Net Assets:					
Net investment income	0.84%	0.64%	0.99%	0.57%	0.50%
Net expenses	0.99%	0.99%(b)	0.99%	0.99%(b)	0.99%(b)
Gross expenses	0.99%(c)	0.99%	1.00%(c)	0.98%	0.98%
PORTFOLIO TURNOVER RATE	10%	14%	15%	17%	25%

(a) Calculated based on average shares outstanding during each year.
(b) Ratio includes waivers and previously waived investment advisory fees recovered. The impact of the recovered fees may cause a higher net expense ratio.
(c) 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 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.

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 December 31, 2018, 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 December 31, 2018, 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 (d/b/a Atlantic Fund Services) ("Atlantic") 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 – Atlantic 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. Atlantic also provides certain shareholder report production and EDGAR conversion and filing services. Pursuant to an Atlantic services agreement, the Fund pays Atlantic customary fees for its services. Atlantic 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, 2019.

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 December 31, 2018, $4,987 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 year ended December 31, 2018, totaled $11,359,671 and $19,936,934, respectively.

Note 6. Federal Income Tax

As of December 31, 2018, cost for federal income tax purpose is $74,135,047 and net unrealized appreciation consists of:

Gross Unrealized Appreciation	$	36,915,197
Gross Unrealized Depreciation		(6,160,645)
Net Unrealized Appreciation	$	30,754,552

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

		2018		2017
Ordinary Income	$	1,050,741	$	805,969
Long-Term Capital Gain		2,614,712		4,271,862
	$	3,665,453	$	5,077,831

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. Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2018-13 "Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13") which includes amendments intended to improve the effectiveness of disclosures in the notes to financial statements. For example, ASU 2018-13 includes additional disclosures regarding the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and clarifications to the narrative description of measurement uncertainty disclosures. ASU 2018-13 is effective for interim and annual periods beginning after December 15, 2019. Early adoption is permitted and the Fund has adopted ASU 2018-13 within these financial statements.

In September 2018, the Securities and Exchange Commission released Final Rule 33-10532 captioned "Disclosure Update and Simplification," which includes: (i) an amendment to require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities; and (ii) an amendment to require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, on the Statement of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets. These changes were effective November 5, 2018. These amendments are reflected in the Fund's financial statements for the year ended December 31, 2018.

Note 8. 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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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, 2018, 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, 2018, 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 include 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, 2018 by correspondence with the custodian and brokers. 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 22, 2019

Investment Advisory Agreement Approval

At the September 14, 2018 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 Advisor's personnel, operations, financial condition, performance, and services provided by the Advisor. The Board also discussed the materials with Fund counsel and, as necessary, with the Trust's administrator, Atlantic Fund Services. 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 and the Advisor; (2) the costs of the services provided and profitability to the Advisor of its relationship with the Fund; (3) the advisory fee and total expense ratio of the Fund compared to 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.

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 manager and other personnel at the Advisor with principal responsibility for the Fund, as well as 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 representation 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 for the foreseeable future. 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 benchmark index. The Board observed that the Fund underperformed the S&P 500 Index, the primary benchmark for the Fund, for the one-, three- and five-year periods ended June 30, 2018, 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 June 30, 2018.

The Board noted the Advisor's representation that the Fund's underperformance relative to its Broadridge peer group and benchmark index could be attributed, in part, to the Fund's underweight exposure to certain market sectors that outperformed generally during the period, as well as relatively high cash positions, which caused a drag on performance. The Board also noted the Advisor's representation that the Fund's relative underperformance during the past year, which the Advisor attributed, at least in part, to poor stock selection, had disproportionately impacted the Fund's longer-term performance. The Board also noted the Advisor's representation that the Fund's portfolio is designed to benefit from compounding over the long term in order to contribute to investors' wealth. In this regard, the Board noted the Advisor's representation that the portfolio, which has been the subject of continual reassessment, is comprised of long-term investments that had outperformed during prior periods and for which the Advisor continues to have conviction, and that the Fund remains well-positioned to generate positive performance going forward. Based on the foregoing and other applicable considerations, the Board determined that the Fund's performance was reasonable and 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 actual advisory fee rates and actual total expenses 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. The Board noted the Advisor's belief that the Advisor provided a high level of client service to the Fund's shareholders that the Advisor believes is 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 fund-specific expenses across a significantly larger asset base. Based on the foregoing and other applicable considerations, the Board concluded that the Advisor's advisory fee rate charged to the Fund was reasonable in light of the services rendered to the Fund.

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 analysis specific to the Fund or allocate proportional expenses to the Fund, the Advisor believes 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 reasonable levels, 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 in the context of all factors considered.

Economies of Scale

The Board evaluated whether the Fund would benefit from any economies of scale. In this respect, the Board noted the Advisor's representation that the Advisor may consider breakpoints in the future if assets increased significantly, but in view of the current level of assets of the Fund, did not believe that breakpoints would be appropriate at this time. Based on the foregoing and other applicable considerations, the Board concluded that economies of scale were not a material factor to consider in approving the continuation of the Advisory 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 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.

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 July 1, 2018 through December 31, 2018.

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, 2018	Ending Account Value December 31, 2018	Expenses Paid During Period*	Annualized Expense Ratio*
Actual	$ 1,000.00	$ 919.76	$ 4.79	0.99%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,020.21	$ 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.

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.

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.

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, Forum ETF Trust and U.S. Global Investors Funds
Mark D. Moyer Born: 1959	Trustee	Since 2018	Chief Financial Officer, Freedom House (a NGO advocating political freedom and democracy) since 2017; independent consultant providing interim CFO services, principally to non-profit organizations, 2011-2017; Chief Financial Officer, Institute of International Education (a NGO administering international educational exchange programs), 2008-2011; Chief Financial Officer and Chief Restructuring Officer, Ziff Davis Media Inc. (an integrated media company), 2005-2008; Adjunct Professor of Accounting, Fairfield University from 2009-2012.	1	Trustee, Forum Funds II, Forum ETF Trust 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, Forum ETF Trust and U.S. Global Investors Funds
Interested Trustees					
Stacey E. Hong[(1)] Born: 1966	Trustee	Since 2018	President, Atlantic since 2008.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
Jessica Chase[(1)] Born: 1970	Trustee	Since 2018	Senior Vice President, Atlantic since 2008.	1	None

[(1)]Stacey E. Hong is currently treated as an interested person of the Trust, as defined in the 1940 Act, due to his affiliation with Atlantic. Jessica Chase is currently treated as an interested person of the Trust, as defined in the 1940 Act, due to her affiliation with Atlantic and her role as President of the Trust.

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years
Officers			
Jessica Chase Born: 1970	President; Principal Executive Officer	Since 2015	Senior Vice President, Atlantic since 2008.
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Atlantic since 2008.
Zachary Tackett Born: 1988	Vice President; Secretary and Anti-Money Laundering Compliance Officer	Since 2014	Counsel, Atlantic since 2014.
Michael J. McKeen Born: 1971	Vice President	Since 2009	Senior Vice President, Atlantic since 2008.
Timothy Bowden Born: 1969	Vice President	Since 2009	Manager, Atlantic since 2008.
Geoffrey Ney Born: 1975	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008–2013.
Todd Proulx Born: 1978	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008–2013.
Carlyn Edgar Born: 1963	Vice President	Since 2008	Senior Vice President, Atlantic since 2008; Chief Compliance Officer, 2008-2016.
Dennis Mason Born: 1967	Chief Compliance Officer	Since 2016	Fund Compliance Officer, Atlantic since 2013; Senior Specialist, Atlantic, 2011-2013; Senior Analyst, Atlantic, 2008-2011.

THE BEEHIVE FUND
P.O Box 588
Portland, Maine 04112
(866) 684-4915 (toll free)

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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