Semi-Annual Report

June 30, 2016 (Unaudited)

THE BEEHIVE FUND

Managed by Spears Abacus Advisors LLC

BEEHX

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The views expressed in this report are those of the investment advisor of The BeeHive Fund (the "Fund") as of June 30, 2016, and may not reflect their 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 Shareholder,

We strongly believe that long-term investing holds significant advantages, especially for tax-paying individuals. But like any relationship, reaping the benefits of a long-term time horizon means enduring challenging periods. We have been in just such a period, stretching back into 2015. In aggregate, The BeeHive Fund ("Fund") has lagged the S&P 500 Index ("Index"). Naturally, this concerns us, but it does not leave us pessimistic about the future.

Because it is common practice to judge an investor on a relative basis, we have to acknowledge the impact of acts of omission as well as commission. When comparing to a benchmark, one feels the impact of outperformers not purchased as much as underperformers in a fund. This past year, we feel no regret over the paths not chosen. The utility sector has been a star performer so far in 2016. We are confident this will not last. Thanks to efficiency and conservation, the industry will likely grow more slowly than gross domestic product. Capital intensity is high (plants do not last forever), regulation is increasing, and environmental liabilities are likely more than just a passing threat. Utility stocks have traditionally failed to generate satisfactory long-term returns for shareholders; we see no reason for this time to be different.

Likewise, the telecom sector is unlikely to produce superior shareholder returns as it has done in the first half of the year. The business is just as competitive and capital intensive as ever. We have never been optimistic about the prospects of Verizon, AT&T and the others; that is not likely to change.

Energy stocks have had a fierce rebound. Unlike utilities and telecoms, we will and do invest in the sector. We have participated in the gains, though we do not own what we believe to be the riskiest companies that bounced back the most (albeit from the most depressed levels). We will not forego energy stocks, but we cannot summon the enthusiasm that others seem to exhibit. Stock prices seem to be assuming a return to an average price for oil of approximately $60 per barrel. That seems like a stretch to us.

The stocks we do not own cannot and do not bear sole responsibility for our relative results. With one or two exceptions, healthcare and finance have been minefields over the last six to twelve months. Likewise, a small number of economically sensitive companies have dramatically underperformed. We can point to a half dozen stocks in the Fund that together reduced overall returns by 5-6%.

Of course, this is not to say that every stock we own has recently been guilty of poor behavior. The "good" stocks, those that have positive returns so far this year, have double digit gains on average. Unfortunately, the underperforming stocks have likewise experienced double digit declines.

Looking forward, we continue to have confidence in the Fund's batch of "good" stocks. In our opinion, they have outperformed for legitimate and sustainable reasons. As a group they remain fairly valued. While it is always difficult to predict how other investors will view them in the short term, we believe companies like Thermo Fisher, Danaher, Comcast and others will continue to compound value for investors.

That being said, we believe that the underperforming stocks have even more intriguing potential. As always, we try to differentiate between inaccurate predictions and areas of disagreement with the market. So far this year, it appears that financial and healthcare stocks reflect concerns about the implications of two important big-picture issues: the slowing global economy and the threat of potential growing regulation of the healthcare sector.

The latter worry is relatively straightforward. The rising cost of healthcare is a significant problem. In an election year, drug prices are an easy target. However, the pharma companies we own produce drugs that, while expensive, save money in the long run (by curing hepatitis C, for instance) or meaningfully advance the treatment of important diseases. In our view, our holdings should produce far above-average returns long into the future based on exciting science and significantly below-average valuations.

The U.S. has, in our opinion, been the one bright spot in the global economy. Evidence suggests that the rest of the world is still struggling. Investors seem to be concerned that the U.S. recovery will be dampened or at least put on hold. Virtually everyone appears to believe that global interest rates will remain at historically low levels. No one reportedly thinks the Federal Reserve will be able to raise U.S. rates as quickly as it had hoped.

First and foremost, this has had a significant impact on financial stocks. We believe many investors were counting on higher interest rates to help lift the earnings of banks and other financial companies. The unexpected result of the Brexit vote seems to underscore fears that economic weakness abroad and a low interest rate environment will persist for the foreseeable future. This was the final excuse to sell the sector. Already lagging the market, banks were hit particularly hard by the news from the U.K.

We think this is a classic set up for future outperformance. Financial stocks have been so cheap that it matters very little when their earnings growth accelerates. Many good quality companies are selling at or below tangible book value[1] (TBV) because investors still seem scarred by the financial crisis and have been unwilling to acknowledge the significant improvements in risk control and capital structure. We understand the emotional response, but a rational analysis reveals a very different industry than the one that stood at the epicenter of the financial meltdown.

Increased banking regulations since the financial crisis have had, in our opinion, positive and negative effects. One can debate the merits from both a philosophical and pragmatic basis. Putting those arguments aside, it is clear to us that banks and insurance companies are far less risky businesses today than they were a decade ago. Under the magnifying glass of Federal Reserve stress tests and the Comprehensive Capital Analysis and Review (CCAR), financial institutions have dramatically reduced leverage, increased tangible equity and scaled back or exited risky capital intensive businesses like trading and underwriting. In our opinion, banks are currently over-capitalized, rather than over-leveraged.

We think this makes it appropriate to examine financial companies in the context of a normal operating environment. With proper risk control mechanisms in place, financial companies can be value-compounding machines. The job of a bank is to take a pool of shareholder capital and invest it into return-generating businesses like commercial and mortgage lending or providing investment products. A portion of the earnings are returned to shareholders in the form of dividends or share buy backs. The rest gets reinvested in the bank to increase the potential for future profits, thereby compounding value for shareholders. This can create attractive returns if shares are bought at the right price.

We believe the financial sector stands in stark contrast to a current market darling, the consumer staples sector (i.e. Procter & Gamble, Coca Cola, Phillip Morris, etc.). Our lack of investments in this sector, like utilities and telecoms discussed above, contributed to lackluster relative returns in the first half of 2016. To be sure, there are many fine companies with world-renowned consumer brands in the sector. We understand the comfort of “steady” earnings. But we believe that investors have bid up prices to the point where there is more risk than safety. The consumer staples sector of the Index now fetches more than 21 times earnings according to FactSet, while the financial sector trades at 12-1/2 times earnings.

We feel confident that this strong valuation anomaly will resolve itself over time, and that our investments have the potential to do well. However, we cannot completely ignore the headlines. Brexit has the potential to muddy the waters for some time to come. Much has and will continue to be written about the implications of the United Kingdom leaving, or maybe not leaving, the European Union. We have nothing unique to add to that conversation. While a complete surprise to us, the outcome of the Brexit vote dovetails into the theme that we have been writing about for some time: Investors hate an unpredictable future, and hardly anyone in the money fields (investors, economists, odds makers and the dedicated media that follows them) had any idea that the United Kingdom would vote to leave.

[1] **Tangible Book Value** is the total net asset value of a company (book value) minus intangible assets and goodwill.

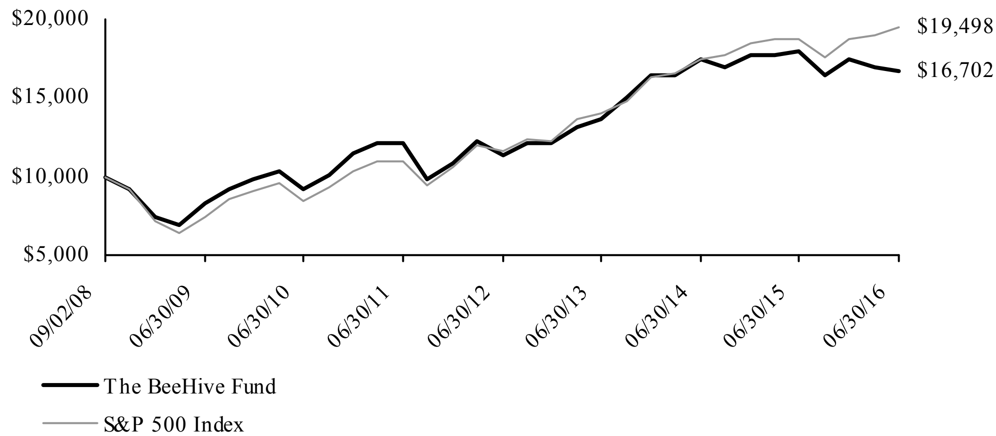
Investors react to unpredictability by seeking safety in the familiar, the perceived wisdom of others and the tried and true. The "low-risk" sectors that did best in the first half of the year may continue to attract investor flows. Yet we will not be jumping on that bandwagon. We hardly think this is the time to throw caution to the wind. However, rather than joining the crowd, we find comfort with the misunderstood, unloved and, most importantly, undervalued. We see great potential in our positions in financials, healthcare and select dominant industrial companies.

Regards,

Spears Abacus

The following chart reflects the change in the value of a hypothetical $10,000 investment, including reinvested dividends and distributions, in The BeeHive 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, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held 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 as of June 30, 2016	**One Year**	**Five Year**	**Since Inception 09/02/08**
The BeeHive Fund	-7.31%	6.59%	6.77%
S&P 500 Index	3.99%	12.10%	8.91%

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 total annual operating expense ratio (gross) is 0.98%. The Fund's advisor has agreed to contractually waive its fees 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, 2017 (the "Expense Cap"). The Fund may repay the advisor for fees waived and expenses reimbursed pursuant to the Expense Cap if such payment is made within three years of the fees waived or expense reimbursement and the resulting expenses do not exceed 0.99%. 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
SCHEDULE OF INVESTMENTS
JUNE 30, 2016

Shares	Security Description		Value
Common Stock - 90.1%			
Consumer Discretionary - 14.9%			
83,880	Comcast Corp., Class A	$	5,468,137
64,850	Delphi Automotive PLC		4,059,610
96,300	Johnson Controls, Inc.		4,262,238
13,930	Whirlpool Corp.		2,321,295
			16,111,280
Energy - 3.9%			
73,140	Kinder Morgan, Inc.		1,369,181
36,420	Schlumberger, Ltd.		2,880,093
			4,249,274
Financials - 24.2%			
105,250	American International Group, Inc.		5,566,673
50,405	Chubb, Ltd.		6,588,438
124,201	CIT Group, Inc.		3,963,254
63,437	Citigroup, Inc.		2,689,094
53,700	JPMorgan Chase & Co.		3,336,918
100,874	MetLife, Inc.		4,017,811
			26,162,188
Health Care - 14.3%			
20,955	Allergan PLC (a)		4,842,491
40,340	Celgene Corp. (a)		3,978,734
11,915	Gilead Sciences, Inc.		993,950
38,345	Thermo Fisher Scientific, Inc.		5,665,857
			15,481,032
Industrials - 17.1%			
58,130	Danaher Corp.		5,871,130
76,820	Delta Air Lines, Inc.		2,798,553
187,310	General Electric Co.		5,896,519
36,355	United Parcel Service, Inc., Class B		3,916,160
			18,482,362
Software & Services - 11.7%			
3,082	Alphabet, Inc., Class A (a)		2,168,280
2,251	Alphabet, Inc., Class C (a)		1,557,917
79,830	Microsoft Corp.		4,084,901
119,780	Oracle Corp.		4,902,595
			12,713,693
Technology Hardware & Equipment - 4.0%			
45,250	Apple, Inc.		4,325,900
Total Common Stock (Cost $68,065,571)			**97,525,729**
Money Market Fund - 9.8%			
10,663,250	Goldman Sachs Financial Square Funds, 0.21% (b) (Cost $10,663,250)		10,663,250
Total Investments - 99.9% (Cost $78,728,821)*		**$**	**108,188,979**
Other Assets & Liabilities, Net – 0.1%			**60,622**
Net Assets – 100.0%		**$**	**108,249,601**

PLC	Public Limited Company
(a)	Non-income producing security.
(b)	Variable rate security. Rate presented is as of June 30, 2016.

* Cost for federal income tax purposes is substantially the same as for financial statement purposes and net unrealized appreciation consists of:

Gross Unrealized Appreciation	$	31,756,820
Gross Unrealized Depreciation		(2,296,662)
Net Unrealized Appreciation	$	29,460,158

The following is a summary of the inputs used to value the Fund's investments as of June 30, 2016.

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	$	97,525,729
Level 2 - Other Significant Observable Inputs		10,663,250
Level 3 - Significant Unobservable Inputs		-
Total	**$**	**108,188,979**

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.

The Fund utilizes the end of period methodology when determining transfers. There were no transfers among Level 1, Level 2 and Level 3 for the period ended June 30, 2016.

PORTFOLIO HOLDINGS
% of Total Investments

Consumer Discretionary	14.9%
Energy	3.9%
Financials	24.2%
Health Care	14.3%
Industrials	17.1%
Software & Services	11.7%
Technology Hardware & Equipment	4.0%
Money Market Fund	9.9%
	100.0%

THE BEEHIVE FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2016

ASSETS		
Total investments, at value (Cost $78,728,821)	$	108,188,979
Receivables:		
Dividends		145,335
Prepaid expenses		6,413
Total Assets		108,340,727
LIABILITIES		
Accrued Liabilities:		
Investment advisory fees		65,535
Trustees' fees and expenses		10
Fund services fees		12,351
Other expenses		13,230
Total Liabilities		91,126
NET ASSETS	$	108,249,601
COMPONENTS OF NET ASSETS		
Paid-in capital	$	78,231,535
Undistributed net investment income		343,493
Accumulated net realized gain		214,415
Net unrealized appreciation		29,460,158
NET ASSETS	$	108,249,601
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)		8,282,411
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE	$	13.07

See Notes to Financial Statements.

THE BEEHIVE FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2016

INVESTMENT INCOME		
Dividend income	$	874,139
Total Investment Income		874,139
EXPENSES		
Investment advisory fees		402,019
Fund services fees		84,954
Custodian fees		5,388
Registration fees		2,921
Professional fees		18,975
Trustees' fees and expenses		5,205
Miscellaneous expenses		14,473
Total Expenses		533,935
Fees waived and expenses reimbursed		(3,270)
Net Expenses		530,665
NET INVESTMENT INCOME		343,474
NET REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain on investments		1,378,158
Net change in unrealized appreciation (depreciation) on investments		(6,401,849)
NET REALIZED AND UNREALIZED LOSS		(5,023,691)
DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$	(4,680,217)

THE BEEHIVE FUND
STATEMENTS OF CHANGES IN NET ASSETS

		For the Six Months Ended June 30, 2016		For the Year Ended December 31, 2015
OPERATIONS				
Net investment income	$	343,474	$	667,832
Net realized gain (loss)		1,378,158		(1,099,346)
Net change in unrealized appreciation (depreciation)		(6,401,849)		(1,225,425)
Decrease in Net Assets Resulting from Operations		(4,680,217)		(1,656,939)
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income		-		(667,776)
Net realized gain		-		(1,703,272)
Total Distributions to Shareholders		-		(2,371,048)
CAPITAL SHARE TRANSACTIONS				
Sale of shares		2,082,007		3,327,908
Reinvestment of distributions		-		2,337,365
Redemption of shares		(2,464,958)		(5,375,932)
Increase (Decrease) in Net Assets from Capital Share Transactions		(382,951)		289,341
Decrease in Net Assets		(5,063,168)		(3,738,646)
NET ASSETS				
Beginning of Period		113,312,769		117,051,415
End of Period (Including line (a))	$	108,249,601	$	113,312,769
SHARE TRANSACTIONS				
Sale of shares		165,206		238,415
Reinvestment of distributions		-		171,001
Redemption of shares		(189,818)		(385,818)
Increase (Decrease) in Shares		(24,612)		23,598
(a) Undistributed net investment income	$	343,493	$	19

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

	For the Six Months Ended June 30, 2016	For the Year Ended December 31, 2015	2014	2013	2012	2011
NET ASSET VALUE, Beginning of Period	$ 13.64	$ 14.13	$ 13.75	$ 10.80	$ 10.35	$ 11.14
INVESTMENT OPERATIONS						
Net investment income (a)	0.04	0.08	0.07	0.05	0.07	0.02
Net realized and unrealized gain (loss)	(0.61)	(0.28)	1.00	3.71	1.11	(0.59)
Total from Investment Operations	(0.57)	(0.20)	1.07	3.76	1.18	(0.57)
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	—	(0.08)	(0.07)	(0.05)	(0.07)	(0.02)
Net realized gain	—	(0.21)	(0.62)	(0.76)	(0.66)	(0.20)
Total Distributions to Shareholders	—	(0.29)	(0.69)	(0.81)	(0.73)	(0.22)
NET ASSET VALUE, End of Period	$ 13.07	$ 13.64	$ 14.13	$ 13.75	$ 10.80	$ 10.35
TOTAL RETURN	(4.18)%(b)	(1.42)%	7.87%	35.13%	11.46%	(5.10)%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of Period (000's omitted)	$108,250	$113,313	$117,051	$111,890	$86,930	$82,398
Ratios to Average Net Assets:						
Net investment income	0.64%(c)	0.57%	0.50%	0.41%	0.62%	0.16%
Net expenses	0.99%(c)	0.99%(d)	0.99%(d)	0.99%	0.99%	0.99%
Gross expenses	1.00%(c)(e)	0.98%	0.98%	1.01%(e)	1.04%(e)	1.07%(e)
PORTFOLIO TURNOVER RATE	9%(b)	17%	25%	28%	40%	34%

(a) Calculated based on average shares outstanding during each period.
(b) Not annualized.
(c) Annualized.
(d) The fees are inclusive of recoupment which amounted to 0.01% for the year.
(e) Reflects the expense ratio excluding any waivers and/or reimbursements.

Note 1. Organization

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

Note 2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increases and decreases in net assets from operations during the fiscal period. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

Security Valuation – Exchange-traded securities and over-the-counter securities are valued using the last quoted trade or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and ask price provided by independent pricing services. Non-exchange-traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale, at the mean of the last bid and ask prices provided by independent pricing services. Shares of open-end mutual funds are valued at net asset value ("NAV"). Short-term investments that mature in 60 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 insufficient or 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 which 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.

The Fund 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 — other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The aggregate value by input level, as of June 30, 2016, 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 the Fund determines 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 – Distributions to shareholders of net investment income and net capital gains, if any, are declared and paid 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 qualify each year as a regulated investment company under Subchapter M of Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as amended ("Code"), and to distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all of its net investment income and capital gains, if any, the Fund will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. The Fund files a U.S. federal income and excise tax return as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of June 30, 2016, 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.

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 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. 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 – The Trust pays each independent Trustee an annual fee of $50,000 for service to the Trust ($66,000 for the Chairman), and the Audit Committee Chairman and Vice Chairman receive an additional $6,000 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 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 Reimbursements and Fees Waived

The Advisor has contractually agreed to waive a portion of its fee and reimburse certain expenses through April 30, 2017, to limit total annual Fund operating expenses (excluding taxes, interest, portfolio transaction expenses and extraordinary expenses) to 0.99%. For the period ended June 30, 2016, the Advisor waived $3,270.

The Fund may repay the Advisor 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 the resulting expenses do not exceed 0.99%. As of June 30, 2016, the following amounts are subject to recapture by the Advisor:

		Amount of Fees Waived and/or Expenses Reimbursed	Expiration Date to Recoup Fees Waived and/or Expenses Reimbursed		Fees Recouped
December 31, 2013	$	17,224	December 31, 2016	$	-
December 31, 2014	$	0	December 31, 2017	$	-
December 31, 2015	$	0	December 31, 2018	$	-
June 30, 2016	$	3,270	December 31, 2019	$	-

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the period ended June 30, 2016, were $8,801,472 and $14,731,569, respectively.

Note 6. Federal Income Tax

As of December 31, 2015, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	$	19
Capital and Other Losses		(1,131,807)
Unrealized Appreciation		35,830,071
Total	$	34,698,283

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.

As of December 31, 2015, the Fund had the following available short-term and long-term capital loss carry forwards that have no expiration date:

	Short Term		Long Term
$	485,857	$	645,950

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.

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, D.C. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

Shareholder Expense Example

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

The example is based on an investment of $1,000 invested at the beginning of the period and held for the entire period from January 1, 2016, through June 30, 2016.

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

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

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

	Beginning Account Value January 1, 2016	Ending Account Value June 30, 2016	Expenses Paid During Period*	Annualized Expense Ratio*
Actual	$ 1,000.00	$ 958.21	$ 4.82	0.99%
Hypothetical (5% return before taxes)	$ 1,000.00	$ 1,019.94	$ 4.97	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 divided by 366 to reflect the half-year period.

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