Semi-Annual Report

June 30, 2017 (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, 2017, 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 Shareholder,

At this time last year, we reiterated our belief that long-term investing holds significant advantages although it entails enduring challenging periods. We are pleased that our patience was rewarded during the first half of 2017 and in particular the past twelve months. The BeeHive Fund ("Fund") has comfortably outperformed the S&P 500 Index ("Index") during those time periods.

Ben Hecht, the screenwriter best known for *Gone with the Wind*, once said that "trying to determine what is going on in the world by reading the daily newspaper is like trying to tell the time by watching the second hand of a clock." When it comes to investing, we are generally in complete agreement. However, every once in a while a single edition of a paper can provide important perspective by way of contrasting headlines. With 2017 nearly halfway over, the June 28 edition of the *Wall Street Journal* provided us with one of those rare opportunities.

A story on the first page of the Business & Finance section reported that Apollo Global Management had just raised the largest-ever leveraged buyout fund, a staggering $23.5 billion. Buried on page 3 of the same section, the Journal reported that Nestlé announced a $20.8 billion stock buyback. (The latter had the greatest immediate interest to us, as we invested in Nestlé in January and the shares have already advanced more than 20%). These pieces reflect two aspects of a long-term trend that has had significant impact on stock markets around the world.

Corporations and financial buyers have been using borrowed funds to acquire their own shares or entire businesses. One of the reasons they have been both able and motivated to do so is that the extended period of historically low interest rates has afforded companies access to low-cost borrowing. Since 2010, U.S. companies alone have spent over $3 trillion buying back their own shares, according to economic researcher Cornerstone Macro. These buybacks were largely financed with borrowed funds[1], as companies increased their total debt by nearly $2.5 trillion in the same period. During that period, North American companies completed mergers or acquisitions with a total value of $10.8 trillion, according to *FactSet*. We estimate that at least half of that amount was funded with borrowed money.

Borrowed funds had a meaningful impact on both the demand for, and supply of, equities. Corporations and financial buyers have been by far the biggest buyers[2] of stocks during this bull market. By comparison, equity mutual funds and exchange-traded funds have had net inflows of one tenth as much, less than $250 billion over the same period of time. At the same time, mergers, acquisitions, buyouts and buybacks have reduced the supply of available investments. Twenty years ago, there were 7,300 publicly traded companies in the U.S. Today, only half as many remain (approximately 3,700). The increase in demand and decrease in supply go a long way to explaining the rise in stock prices. It is important to ask if this has introduced a new element of risk to investors. Despite the eye-catching statistics, it is not clear to us that this trend has reached the point of being dangerously unsustainable.

We do not believe this is another credit bubble like the one that precipitated the financial crisis. Public companies in the U.S. report spending a much smaller percentage of their cash flow on debt service than they did five, ten or even twenty years ago. We think using low-cost debt to fund stock purchases is likely to continue; however, like any trend, it cannot last forever. We believe it will end for one of two reasons. Either companies will reach or (more likely) exceed their borrowing capacity and will no longer be able to finance their acquisitions and buybacks with debt, or interest rates will rise, increasing borrowing costs and making debt a less attractive option.

Engineering an orderly rise in rates, before a bubble forms, is a responsibility that falls on the shoulders of central bankers. This observation brings us back to that very same edition of the Wall Street Journal. On the front page was a story about the likelihood of higher interest rates in the Eurozone as the European Central Bank (ECB) follows the U.S. Federal Reserve Bank in winding down its longstanding program of monetary stimulus. In prepared remarks at an annual economic policy conference in Portugal, ECB President Mario Draghi said that "all the signs now point to a strengthening and broadening recovery in the euro area." Market reaction was

[1] Lazar & Markowska – "Corporate America: Underinvested, Overspent And (sic) Overleveraged", Cornerstone Macro 6/21/2017
[2] Mauboussin, Callahan & Majd – "The Incredible Shrinking Universe of Stocks", Credit Suisse 3/22/2017

swift and certain. The rates on ten-year government bonds from Italy to Germany rose dramatically. The euro itself rose 1.4% versus the dollar, the biggest one-day move in over a year.

This does not necessarily herald a new era of steadily rising rates. Markets are not like light bulbs that suddenly switch from on to off. Short-term movements are notoriously poor predictors of long-term trends. But today, we are undeniably closer to a more normal environment of higher interest rates.

Looking Back

Though our nation's capital has been an unusually eventful place recently, U.S. stock markets have responded with record calm for the first half of the year. The eerie stability of stock prices yielded only two trading days in each quarter when the S&P 500 moved more than 1%. Common measures of volatility achieved multi-year lows. The first quarter provided gains in healthcare and technology sectors while financial companies largely took a breather. The second quarter followed similar suit where every sector exhibited positive returns with the exception of energy, which followed the falling prices of crude oil and natural gas (10% and 5% respectively). Fortunately, a small position in Schlumberger is the Fund's only direct exposure, having a modest impact on results.

On the other hand, the Fund had meaningful positive contributions from both high and low tech. One-time laggard, Oracle (enterprise software) and Ball Corporation (aluminum cans and bottles) were significant outperformers. Financials, led by Citigroup and CIT Group, rebounded from a subpar first quarter. As noted earlier, a new position in Nestlé has provided immediate returns. Shortly before the company announced the stock buyback, activist investor Third Point Capital disclosed that it had amassed a $3.5 billion position and is working closely with management to enhance the stock price. Other standouts in the second quarter included Whirlpool, Delta Airlines and Alphabet.

Looking Forward

The global economy is made up of complex organisms. As is always the case, there are many countervailing forces at play. Optimism in Europe is balanced by emerging concerns among U.S. investors. We cannot say for sure how long it will take to reach an interest-rate inflection point. When it does come, the transition may not be a gentle one. The preternaturally smooth market activity is likely to give way to above-average daily volatility. In case that environment comes sooner rather than later, we continue to hold larger than usual cash reserves.

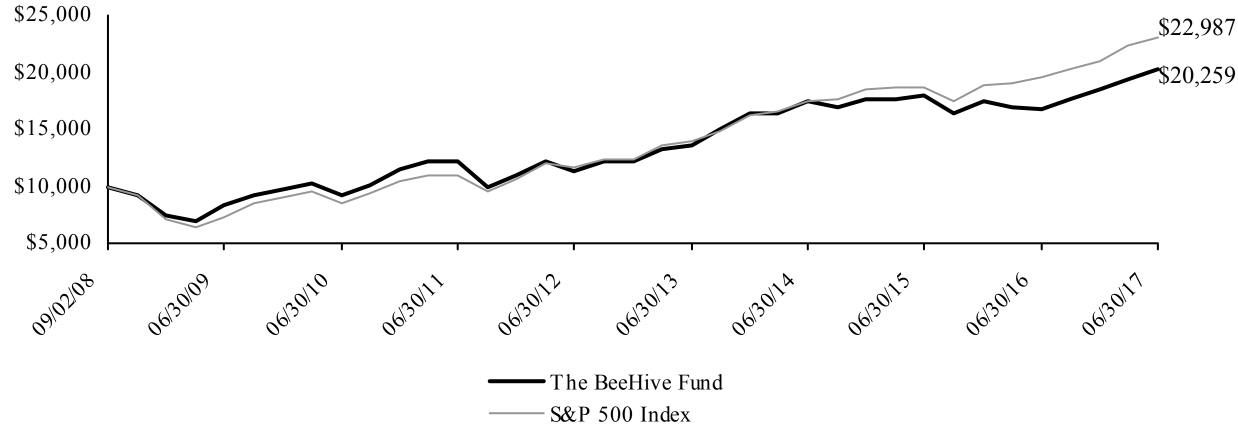
That being said, even if we have seen the lows in bond yields, companies and private-equity firms will likely not change their ways overnight. For the foreseeable future, it seems likely that relatively easy credit will enable strategic and financial buyers to finance large-scale stock purchases with debt. For now, this should continue to provide an important source of demand for equities. But financial engineering alone cannot be counted on to boost stock prices forever. We have a high degree of confidence in the companies in which we have invested, and we feel that we have appropriately balanced opportunity and risk.

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, 2017	One Year	Five Year	Since Inception 09/02/08
The BeeHive Fund	21.30%	12.27%	8.33%
S&P 500 Index	17.90%	14.63%	9.89%

Performance data quoted represents past performance and is no guarantee of future results. *Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please call (866) 684-4915. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 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, 2018 (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 date the fee waiver or expense reimbursement was incurred and does not cause the Fund's total operating expenses (excluding taxes, interest, portfolio transaction expenses and extraordinary expenses) to exceed the annual rate of average daily assets of the Fund. Total annual fund operating expenses after fee waiver and/or expense reimbursement will increase if exclusions from the Expense Cap apply. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized.*

THE BEEHIVE FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2017

Shares	Security Description		Value
Common Stock - 92.2%			
Consumer Discretionary - 11.8%			
8,047	Adient PLC	$	526,113
167,760	Comcast Corp., Class A		6,529,219
64,850	Delphi Automotive PLC		5,684,102
13,930	Whirlpool Corp.		2,669,267
			15,408,701
Consumer Staples - 3.3%			
49,750	Nestle SA, ADR		4,338,200
Energy - 1.8%			
36,420	Schlumberger, Ltd.		2,397,893
Financials - 22.0%			
105,250	American International Group, Inc.		6,580,230
36,970	Chubb, Ltd.		5,374,699
100,430	CIT Group, Inc.		4,890,941
63,437	Citigroup, Inc.		4,242,666
35,210	JPMorgan Chase & Co.		3,218,194
78,694	MetLife, Inc.		4,323,448
			28,630,178
Health Care - 15.1%			
23,372	Allergan PLC		5,681,499
40,340	Celgene Corp. [(a)]		5,238,956
54,615	Gilead Sciences, Inc.		3,865,650
28,285	Thermo Fisher Scientific, Inc.		4,934,884
			19,720,989
Industrials - 18.0%			
58,130	Danaher Corp.		4,905,591
76,820	Delta Air Lines, Inc.		4,128,307
29,065	Fortive Corp.		1,841,268
187,310	General Electric Co.		5,059,243
80,477	Johnson Controls International PLC		3,489,483
36,355	United Parcel Service, Inc., Class B		4,020,499
			23,444,391
Materials - 2.6%			
80,300	Ball Corp.		3,389,463
Software & Services - 12.6%			
3,082	Alphabet, Inc., Class A [(a)]		2,865,274
2,251	Alphabet, Inc., Class C [(a)]		2,045,551
79,830	Microsoft Corp.		5,502,682
119,780	Oracle Corp.		6,005,769
			16,419,276
Technology Hardware & Equipment - 5.0%			
45,250	Apple, Inc.		6,516,905
Total Common Stock (Cost $72,140,607)			**120,265,996**
Money Market Fund - 7.8%			
10,114,375	Goldman Sachs Financial Square Treasury Obligations Fund, FST Shares, 0.80% [(b)] (Cost $10,114,375)		10,114,375
Total Investments - 100.0% (Cost $82,254,982)*		**$**	**130,380,371**
Other Assets & Liabilities, Net – 0.0%			**44,770**
Net Assets – 100.0%		**$**	**130,425,141**

ADR	American Depositary Receipt
PLC	Public Limited Company
(a)	Non-income producing security.
(b)	Variable rate security. Rate presented is as of June 30, 2017.

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

Gross Unrealized Appreciation	$	48,530,361
Gross Unrealized Depreciation		(404,972)
Net Unrealized Appreciation	$	48,125,389

The following is a summary of the inputs used to value the Fund's investments as of June 30, 2017.

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	$	120,265,996
Level 2 - Other Significant Observable Inputs		10,114,375
Level 3 - Significant Unobservable Inputs		-
Total	**$**	**130,380,371**

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, 2017.

PORTFOLIO HOLDINGS
% of Total Investments

Consumer Discretionary	11.8%
Consumer Staples	3.3%
Energy	1.8%
Financials	22.0%
Health Care	15.1%
Industrials	18.0%
Materials	2.6%
Software & Services	12.6%
Technology Hardware & Equipment	5.0%
Money Market Fund	7.8%
	100.0%

THE BEEHIVE FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2017

ASSETS		
Total investments, at value (Cost $82,254,982)	$	130,380,371
Receivables:		
Dividends		154,713
Prepaid expenses		7,181
Total Assets		130,542,265
LIABILITIES		
Accrued Liabilities:		
Investment advisor fees		80,027
Trustees' fees and expenses		234
Fund services fees		16,216
Other expenses		20,647
Total Liabilities		117,124
NET ASSETS	$	130,425,141
COMPONENTS OF NET ASSETS		
Paid-in capital	$	79,313,879
Undistributed net investment income		418,442
Accumulated net realized gain		2,567,431
Net unrealized appreciation		48,125,389
NET ASSETS	$	130,425,141
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)		8,352,200
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE	$	15.62

See Notes to Financial Statements.

THE BEEHIVE FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2017

INVESTMENT INCOME		
Dividend income (Net of foreign withholding taxes of $40,773)	$	1,032,259
Total Investment Income		1,032,259
EXPENSES		
Investment advisor fees		465,048
Investment advisor expense reimbursements recouped		596
Fund services fees		94,270
Custodian fees		6,636
Registration fees		3,323
Professional fees		22,451
Trustees' fees and expenses		6,357
Other expenses		15,184
Total Expenses		613,865
NET INVESTMENT INCOME		418,394
NET REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain on investments		2,599,347
Net change in unrealized appreciation (depreciation) on investments		8,265,674
NET REALIZED AND UNREALIZED GAIN		10,865,021
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$	11,283,415

See Notes to Financial Statements.

THE BEEHIVE FUND
STATEMENTS OF CHANGES IN NET ASSETS

		For the Six Months Ended June 30, 2017		For the Year Ended December 31, 2016
OPERATIONS				
Net investment income	$	418,394	$	1,097,170
Net realized gain		2,599,347		1,783,848
Net change in unrealized appreciation (depreciation)		8,265,674		3,997,708
Increase in Net Assets Resulting from Operations		11,283,415		6,878,726
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income		-		(1,097,141)
Net realized gain		-		(652,021)
Total Distributions to Shareholders		-		(1,749,162)
CAPITAL SHARE TRANSACTIONS				
Sale of shares		9,390,527		3,170,306
Reinvestment of distributions		-		1,731,885
Redemption of shares		(8,097,534)		(5,495,791)
Increase (Decrease) in Net Assets from Capital Share Transactions		1,292,993		(593,600)
Increase in Net Assets		12,576,408		4,535,964
NET ASSETS				
Beginning of Period		117,848,733		113,312,769
End of Period (Including line (a))	$	130,425,141	$	117,848,733
SHARE TRANSACTIONS				
Sale of shares		645,224		244,010
Reinvestment of distributions		-		120,518
Redemption of shares		(554,584)		(409,991)
Increase (Decrease) in Shares		90,640		(45,463)
(a) Undistributed net investment income	$	418,442	$	48

See Notes to Financial Statements.

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

	For the Six Months Ended June 30, 2017	For the Years Ended December 31, 2016	2015	2014	2013	2012
NET ASSET VALUE, Beginning of Period	$ 14.26	$ 13.64	$ 14.13	$ 13.75	$ 10.80	$ 10.35
INVESTMENT OPERATIONS						
Net investment income (a)	0.05	0.13	0.08	0.07	0.05	0.07
Net realized and unrealized gain (loss)	1.31	0.70	(0.28)	1.00	3.71	1.11
Total from Investment Operations	1.36	0.83	(0.20)	1.07	3.76	1.18
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	—	(0.13)	(0.08)	(0.07)	(0.05)	(0.07)
Net realized gain	—	(0.08)	(0.21)	(0.62)	(0.76)	(0.66)
Total Distributions to Shareholders	—	(0.21)	(0.29)	(0.69)	(0.81)	(0.73)
NET ASSET VALUE, End of Period	$ 15.62	$ 14.26	$ 13.64	$ 14.13	$ 13.75	$ 10.80
TOTAL RETURN	9.54%(b)	6.11%	(1.42)%	7.87%	35.13%	11.46%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of Period (000's omitted)	$130,425	$117,849	$113,313	$117,051	$111,890	$86,930
Ratios to Average Net Assets:						
Net investment income	0.67%(c)	0.99%	0.57%	0.50%	0.41%	0.62%
Net expenses	0.99%(c)	0.99%	0.99%(d)	0.99%(d)	0.99%	0.99%
Gross expenses	0.99%(c)	1.00%(e)	0.98%	0.98%	1.01%(e)	1.04%(e)
PORTFOLIO TURNOVER RATE	5%(b)	15%	17%	25%	28%	40%

(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

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 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 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 — 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, 2017, for the Fund’s investments is included at the end of the Fund’s Schedule of Investments.

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

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

Federal Taxes – The Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as amended ("Code"), and to distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all of its net investment income and capital gains, if any, the Fund will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. The Fund files a U.S. federal income and excise tax return as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of June 30, 2017, 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, 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 – The Trust pays each independent Trustee an annual retainer fee of $50,000 for service to the Trust ($66,000 for the Chairman). 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, 2018, 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%.

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 date the fee waiver or expense reimbursement was incurred and does not cause the Fund's total operating expenses (excluding taxes, interest, portfolio transaction expenses and extraordinary expenses) to exceed the annual rate of average daily assets of the Fund. As of June 30, 2017, $9,254 is subject to recapture by the Advisor.

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments, during the period ended June 30, 2017 were $5,434,516 and $5,360,007, respectively.

Note 6. Federal Income Tax

As of December 31, 2016, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	$	48
Undistributed Long-Term Gain		20
Unrealized Appreciation		39,827,779
Total	$	39,827,847

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 October 2016, the U.S. Securities and Exchange Commission ("SEC") issued a new rule, Investment Company Reporting Modernization, which, among other provisions, amends Regulation S-X to require standardized enhanced disclosures, particularly related to derivatives, in investment company financial statements. The compliance date for the amendments to Regulation S-X is for reporting periods ending after August 1, 2017. Management has reviewed the requirements and believes the adoption of the amendments to Regulation S-X will not have a material impact on the Fund's financial statements and related disclosures.

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.

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 SEC's 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, 2017 through June 30, 2017.

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, 2017	Ending Account Value June 30, 2017	Expenses Paid During Period*	Annualized Expense Ratio*
Actual	$ 1,000.00	$ 1,095.37	$ 5.14	0.99%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,019.89	$ 4.96	0.99%

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

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