Annual Report
December 31, 2017

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, 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 Shareholders,

Overview

For better or worse, this is the time of year to reflect on decisions made (or not made), opinions held, positions taken, and events unforeseen. Before embarking on a self-critique, we should point out that 2017 was a good time to be invested in stocks. Your fund advanced over 11%.

While we would love to take credit for predicting such beneficial markets, we cannot. One year ago, we wrote "higher than average current valuations…argue for somewhat greater than usual caution." We echoed that view in our "Investment Perspectives" throughout the year. We would have had better results had we jumped on the bandwagon of optimism.

In the short run, momentum can be a far more accurate indicator than valuation, and it ruled the roost in 2017. Investors exhibited a distinct preference for stocks that had already outperformed. This can be starkly illustrated by the return disparity between the MSCI USA Momentum Index, which reflects "the performance of an equity momentum strategy by emphasizing stocks with high price momentum"[1] and the Russell 1000 Value Index, which is comprised of those stocks that are cheaper than average.

	2017 Return
MSCI USA Momentum Index	37.82%
Russell 1000 Value	11.86%

This performance anomaly is often a symptom of speculation. There is some of that in the marketplace, to be sure. But it is also the result of changing investor preferences that give this trend a thick veneer of rational behavior. Since the financial crisis, nearly $1.5 trillion has been invested in funds that mimic stock indexes.[2] More money has flowed to stocks that have outperformed, regardless of valuation. We believe that this cannot last indefinitely, and when sentiment sours, high-priced stocks will not be able to sustain their valuations. Those that have been rewarded the most will likely have the farthest to fall.

The BeeHive Fund

The disconnect between stock prices and world events was pervasive throughout 2017. On only two trading days during each of the first two quarters of the year did the S&P 500 move more than 1%. The first quarter of the year provided the fund with 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 was the fund's only direct exposure to the energy sector, having a modest impact on results. Financials, led by Citigroup and CIT Group, rebounded during the second quarter from a subpar first quarter.

Holdings in the fund continued the positive trend in the third quarter. The technology sector continued to outperform, with the exception of Oracle, which plateaued after advancing nearly 30% over the first six months of the year. Energy bounced back; financial stocks were mixed. Healthcare was a positive contributor during the quarter with Gilead returning to favor with investors starting in mid-June and Allergan reporting stronger than expected earnings growth.

The fourth quarter was perhaps the most challenging we can remember. In an otherwise strong market, your fund declined marginally (-.39%). The shortfall relative to the benchmark can be attributed directly to three longstanding positions: Celgene, Allergan and General Electric.

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[1] MSCI Equity Factsheet for MSCI USA Momentum Index, 29 Dec. 2017
https://www.msci.com/documents/10199/f3a22268-affd-478a-b7a7-50dc90fad923
[2] Investment Company Institute Monthly Mutual Fund Flow Report

Looking Forward

Since the market bottom at the depths of the financial crisis, stocks have advanced smartly despite tenuous global economic conditions. With the notable exception of China, gross domestic product (GDP) growth around the world has been anemic and inflation below levels considered healthy. Investors anticipated more robust growth and patiently awaited its arrival. That time finally seems to have come.

Growth in the U.S. seems to be accelerating. Corporate decision makers are upbeat about lessening regulation and the new tax code (to some extent). Some consumers are anticipating more in their weekly paychecks (they will have to wait until February or March to find out for sure). Europe is finally exhibiting an upward trajectory. Even Japan seems to be emerging from its decades long slump. Ironically, this may create more challenges than benefits for equity investors. Market participants may become concerned that historically low unemployment will lead to inflationary wage growth. We believe, however, that stronger economic statistics will give central bankers the political cover necessary to curtail expansionary monetary policies. Interest rates, at least on short instruments, could continue to rise.

As we have remarked frequently over the last year or so, low interest rates and cheap and readily available credit have enabled significant demand for stocks in the form of corporate buybacks, mergers and acquisitions and leveraged buyouts. Each of these activities was slightly less frequent in 2017 than the previous year. But the numbers are still large. U.S. mergers were 11% lower, year over year, but still a massive $1.44 trillion. Stock buybacks are down for the second year in a row, but still totaled about $500 billion.[3][4] Private equity firms like Carlyle, Apollo, BlackRock and KKR have raised enormous funds.

If stocks were cheap, we would say that the backdrop was more than attractive. But with valuations at their highest since the fiscal crisis and at the high-end of historical ranges, we are not inclined to chase the momentum trend. We like what we own. Our holdings in the technology sector may have slightly greater short-term risk, but we think each has terrific long-term prospects so we are not currently tempted to take profits. We will continue to focus on individual opportunities, and feel that we are appropriately positioned for a potentially more difficult market environment.

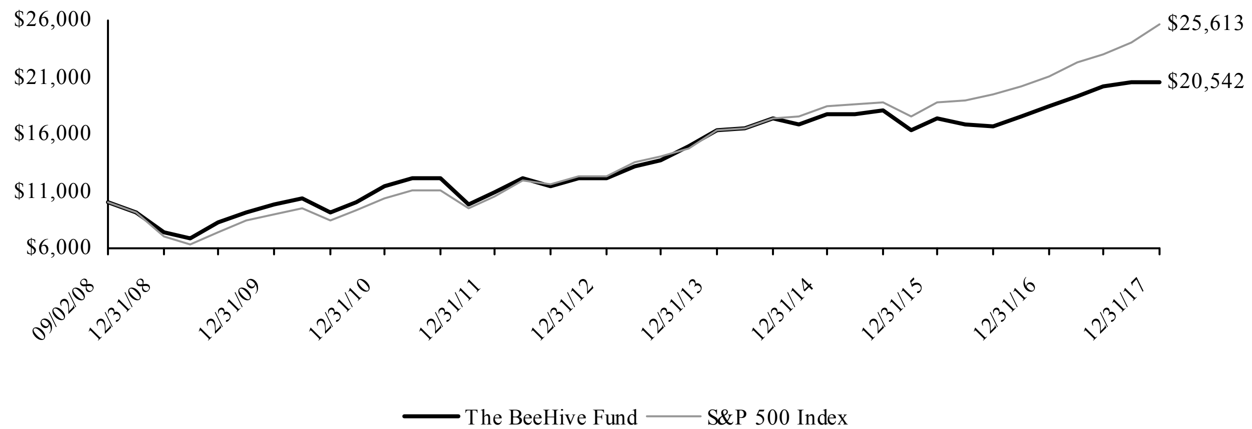
Regards,

Spears Abacus

[3] Eisen, Ben and Chris Dieterich. “Saying Bye to Buybacks.” *The Wall Street Journal* 23 Nov. 2017
https://www.wsj.com/articles/saying-bye-to-buybacks-1511438400
[4] “Activist Investors Wield Power.” *The Wall Street Journal* 19 Dec. 2017
https://www.wsj.com/articles/stocks-soar-mergers-slump-activist-investors-wield-power-1513704771

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 12/31/17	One Year	Five Year	Since Inception 09/02/08
The BeeHive Fund	11.07%	11.11%	8.02%
S&P 500 Index	21.83%	15.79%	10.61%

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.*

Shares	Security Description		Value
Common Stock - 93.4%			
Consumer Discretionary - 14.3%			
8,047	Adient PLC	$	633,299
64,850	Aptiv PLC		5,501,225
167,760	Comcast Corp., Class A		6,718,788
21,616	Delphi Technologies PLC [(a)]		1,134,192
158,200	Mattel, Inc.		2,433,116
13,930	Whirlpool Corp.		2,349,155
			18,769,775
Consumer Staples - 3.3%			
49,750	Nestle SA, ADR		4,277,007
Energy - 5.0%			
59,400	Royal Dutch Shell PLC, ADR, Class B		4,056,426
36,420	Schlumberger, Ltd.		2,454,344
			6,510,770
Financials - 22.2%			
105,250	American International Group, Inc.		6,270,795
36,970	Chubb, Ltd.		5,402,426
100,430	CIT Group, Inc.		4,944,169
63,437	Citigroup, Inc.		4,720,347
35,210	JPMorgan Chase & Co.		3,765,357
78,694	MetLife, Inc.		3,978,769
			29,081,863
Health Care - 13.8%			
27,942	Allergan PLC		4,570,752
40,340	Celgene Corp. [(a)]		4,209,882
54,615	Gilead Sciences, Inc.		3,912,619
28,285	Thermo Fisher Scientific, Inc.		5,370,756
			18,064,009
Industrials - 12.7%			
58,130	Danaher Corp.		5,395,627
76,820	Delta Air Lines, Inc.		4,301,920
149,100	General Electric Co.		2,601,795
36,355	United Parcel Service, Inc., Class B		4,331,698
			16,631,040
Materials - 2.3%			
80,300	Ball Corp.		3,039,355
Software & Services – 16.2%			
3,082	Alphabet, Inc., Class A [(a)]		3,246,579
2,251	Alphabet, Inc., Class C [(a)]		2,355,446
79,830	Microsoft Corp.		6,828,658
54,360	Naspers, Ltd., Class N, ADR		3,076,776
119,780	Oracle Corp.		5,663,199
			21,170,658
Technology Hardware & Equipment - 3.6%			
28,070	Apple, Inc.		4,750,286
Total Common Stock (Cost $73,400,367)			**122,294,763**
Money Market Fund - 6.6%			
8,636,859	Goldman Sachs Financial Square Treasury Instruments Fund, Institutional Shares, 1.14% [(b)] (Cost $8,636,859)		8,636,859

		Value
Investments, at value - 100.0% (Cost $82,037,226)	**$**	**130,931,622**
Other Assets & Liabilities, Net – 0.0%		**(56,087)**
Net Assets – 100.0%	**$**	**130,875,535**

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, 2017.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 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	$	122,294,763
Level 2 - Other Significant Observable Inputs		8,636,859
Level 3 - Significant Unobservable Inputs		-
Total	**$**	**130,931,622**

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 year ended December 31, 2017.

PORTFOLIO HOLDINGS (Unaudited)
% of Total Investments

Consumer Discretionary	14.3%
Consumer Staples	3.3%
Energy	5.0%
Financials	22.2%
Health Care	13.8%
Industrials	12.7%
Materials	2.3%
Software & Services	16.2%
Technology Hardware & Equipment	3.6%
Money Market Fund	6.6%
	100.0%

THE BEEHIVE FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2017

ASSETS		
Investments, at value (Cost $82,037,226)	$	130,931,622
Receivables:		
Fund shares sold		12,427
Dividends		81,251
Prepaid expenses		4,312
Total Assets		131,029,612
LIABILITIES		
Payables:		
Fund shares redeemed		1,507
Distributions payable		21,990
Accrued Liabilities:		
Investment advisor fees		86,424
Trustees' fees and expenses		300
Fund services fees		16,628
Other expenses		27,228
Total Liabilities		154,077
NET ASSETS	$	130,875,535
COMPONENTS OF NET ASSETS		
Paid-in capital	$	83,010,570
Undistributed net investment income		73
Accumulated net realized loss		(1,029,504)
Net unrealized appreciation		48,894,396
NET ASSETS	$	130,875,535
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)		8,594,879
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE	$	15.23

See Notes to Financial Statements.

THE BEEHIVE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2017

INVESTMENT INCOME		
Dividend income (Net of foreign withholding taxes of $40,773)	$	2,083,481
Total Investment Income		2,083,481
EXPENSES		
Investment advisor fees		960,010
Fund services fees		192,983
Custodian fees		13,572
Registration fees		6,856
Professional fees		44,133
Trustees' fees and expenses		13,676
Other expenses		29,746
Total Expenses		1,260,976
Investment advisor expense reimbursements recouped		6,237
Net Expenses		1,267,213
NET INVESTMENT INCOME		816,268
NET REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain on investments		3,264,000
Net change in unrealized appreciation (depreciation) on investments		9,034,681
NET REALIZED AND UNREALIZED GAIN		12,298,681
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$	13,114,949

THE BEEHIVE FUND
STATEMENTS OF CHANGES IN NET ASSETS

		For the Year Ended December 31, 2017		For the Year Ended December 31, 2016
OPERATIONS				
Net investment income	$	816,268	$	1,097,170
Net realized gain		3,264,000		1,783,848
Net change in unrealized appreciation		9,034,681		3,997,708
Increase in Net Assets Resulting from Operations		13,114,949		6,878,726
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income		(794,709)		(1,097,141)
Net realized gain		(4,283,122)		(652,021)
Total Distributions to Shareholders		(5,077,831)		(1,749,162)
CAPITAL SHARE TRANSACTIONS				
Sale of shares		9,939,469		3,170,306
Reinvestment of distributions		4,933,482		1,731,885
Redemption of shares		(9,883,267)		(5,495,791)
Increase (Decrease) in Net Assets from Capital Share Transactions		4,989,684		(593,600)
Increase in Net Assets		13,026,802		4,535,964
NET ASSETS				
Beginning of Year		117,848,733		113,312,769
End of Year (Including line (a))	$	130,875,535	$	117,848,733
SHARE TRANSACTIONS				
Sale of shares		680,249		244,010
Reinvestment of distributions		320,916		120,518
Redemption of shares		(667,846)		(409,991)
Increase (Decrease) in Shares		333,319		(45,463)
(a) Undistributed net investment income	$	73	$	48

THE BEEHIVE FUND
FINANCIAL HIGHLIGHTS

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

	For the Year Ended December 31,				
	2017	2016	2015	2014	2013
NET ASSET VALUE, Beginning of Year	$ 14.26	$ 13.64	$ 14.13	$ 13.75	$ 10.80
INVESTMENT OPERATIONS					
Net investment income (a)	0.10	0.13	0.08	0.07	0.05
Net realized and unrealized gain (loss)	1.48	0.70	(0.28)	1.00	3.71
Total from Investment Operations	1.58	0.83	(0.20)	1.07	3.76
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.09)	(0.13)	(0.08)	(0.07)	(0.05)
Net realized gain	(0.52)	(0.08)	(0.21)	(0.62)	(0.76)
Total Distributions to Shareholders	(0.61)	(0.21)	(0.29)	(0.69)	(0.81)
NET ASSET VALUE, End of Year	$ 15.23	$ 14.26	$ 13.64	$ 14.13	$ 13.75
TOTAL RETURN	11.07%	6.11%	(1.42)%	7.87%	35.13%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000's omitted)	$130,876	$117,849	$113,313	$117,051	$111,890
Ratios to Average Net Assets:					
Net investment income	0.64%	0.99%	0.57%	0.50%	0.41%
Net expenses	0.99%(b)	0.99%	0.99%(c)	0.99%(c)	0.99%
Gross expenses	0.99%	1.00%(d)	0.98%	0.98%	1.01%(d)
PORTFOLIO TURNOVER RATE	14%	15%	17%	25%	28%

(a) Calculated based on average shares outstanding during each year.
(b) The fees are inclusive of recoupment, which amounted to less than 0.01% for the year.
(c) The fees are inclusive of recoupment, which amounted to 0.01% for the year.
(d) Reflects the expense ratio excluding any waivers and/or reimbursements.

Note 1. Organization

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

Note 2. Summary of Significant Accounting Policies

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board ("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, 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 December 31, 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. 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 – Through December 31, 2017, the Trust paid each independent Trustee an annual retainer fee of $50,000 for service to the Trust ($66,000 for the Chairman), and the Audit Committee Chairman and Vice Chairman received an additional $6,000 annually. Effective January 1, 2018, 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 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. Fees recaptured by the Advisor for the year ended December 31, 2017 are disclosed in the Statement of Operations. The amount remaining that is subject to recapture by the Advisor as of December 31, 2017 is $3,172.

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, 2017 totaled $16,824,336 and $16,146,590, respectively.

Note 6. Federal Income Tax

As of December 31, 2017, cost for federal income tax purposes is $82,051,224 and net unrealized appreciation consists of:

Gross Unrealized Appreciation	$	51,533,080
Gross Unrealized Depreciation		(2,652,682)
Net Unrealized Appreciation	$	48,880,398

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

		2017		2016
Ordinary Income	$	805,969	$	1,097,141
Long-Term Capital Gain		4,271,862		652,021
	$	5,077,831	$	1,749,162

As of December 31, 2017, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	$	73
Capital and Other Losses		(1,015,506)
Unrealized Appreciation		48,880,398
Total	$	47,864,965

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 and equity return of capital.

For tax purposes, the current year post October loss was $1,015,506 (realized during the period November 1, 2017 through December 31, 2017). This loss will be recognized for tax purposes on the first business day of the Fund's next fiscal year, January 1, 2018.

On the Statement of Assets and Liabilities, as a result of permanent book to tax differences, certain amounts have been reclassified for the year ended December 31, 2017. The following reclassification was the result of equity return of capital distributions, realization of return of capital distributions on sale and reclassification of distributions and has no impact on the net assets of the Fund.

Undistributed Net Investment Income (Loss)	$	(21,534)
Accumulated Net Realized Gain (Loss)		21,534

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.

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, 2017, 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, the financial highlights for each of the years in the five-year period then ended, and the related notes and schedules (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, 2017, 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 (***"GAAP"***).

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, 2017 by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

BBD, LLP

BBD, LLP

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

Philadelphia, Pennsylvania
February 26, 2018

Investment Advisory Agreement Approval

At the September 15, 2017 Board meeting, the Board, including the independent Trustees, considered the approval of the continuance of the investment advisory agreement between the Adviser and the Trust pertaining to the Fund (the "Advisory Agreement"). In preparation for its deliberations, the Board requested and reviewed written responses from the Adviser to a due diligence questionnaire circulated on the Board's behalf concerning the Adviser's personnel, operations, financial condition, performance, and services provided by the Adviser. 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 Adviser, 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 Adviser, including information on the investment performance of the Fund and the Adviser; (2) the costs of the services provided and profitability to the Adviser 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 Adviser from its relationship with the Fund.

Nature, Extent and Quality of Services

Based on written materials received, a presentation from senior representatives of the Adviser and a discussion with the Adviser about the Adviser's personnel, operations and financial condition, the Board considered the quality of services provided by the Adviser 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 Adviser 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 Adviser's senior management and staff.

The Board considered also the adequacy of the Adviser's resources. The Board noted the Adviser's representation that the firm is in stable financial condition and that the Adviser 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 Adviser 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 Adviser 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 outperformed the S&P 500 Index, the primary benchmark for the Fund, for the one-year period ended June 30, 2017 and underperformed the benchmark index for the three- and five-year periods ended June 30, 2017. 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 outperformed the median of the Broadridge peer group for the one-year period ended June 30, 2017 and underperformed the median of its Broadridge peers for the three- and five-year periods ended June 30, 2017.

At the request of the Adviser, the Board also considered the Fund's performance relative to a peer group of funds identified by the Adviser as having similar sizes, investment strategies, and expense structures, and a similar Morningstar category to that of the Fund (the "Comparable Funds"). The Board observed that the Fund outperformed the average of the Comparable Funds for the one- and three-year periods ended June 30, 2017 and underperformed the average of the Comparable Funds for the five-year period ended June 30, 2017. The Board noted the Adviser's representation that the Fund's outperformance relative to the Broadridge peers, Comparable Funds, and benchmark index over the shorter term could be attributed, in part, to the Fund's overweight positions in non-real estate investment trust financial stocks, as well as the Fund's investments in the information technology sector, which outperformed the overall market during the year. The Board noted the Adviser's representation that the Fund's underperformance relative to its Broadridge peer group and benchmark index over the longer term could be attributed to the Fund's holdings in the energy sector, which underperformed the overall market during the three- and five-year periods, as well as the Fund's underweight exposure to consumer staples and utilities during periods in which those sectors significantly outperformed the rest of the market. 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 Adviser's continued management of the Fund.

Compensation

The Board evaluated the Adviser'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 Adviser's actual advisory fee rate and the actual total expense ratio for the Fund were each higher than the median of the Broadridge peers. The Board noted the Adviser's belief that the Adviser provided an additional layer of client service to the Fund's shareholders that the advisers to the Broadridge peers may not provide to their funds. In addition, the Board noted that the Adviser 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 comprised funds that were part of a significantly larger and more diversified family of funds, which had the benefit of spreading mutual fund-specific expenses across a significantly larger asset base. At the request of the Adviser, the Board compared the actual advisory fee and actual total expenses of the Fund to the Comparable Peers, which the Adviser believed to be a more representative comparison for the Fund, and observed that the advisory fee and total expenses for the Fund were each the lowest among the Comparable Peers. In addition, the Adviser noted that it applied its standard fee to the Fund, although regulatory requirements caused a disproportionate amount of time and effort be spent on the Fund compared to the Adviser's other accounts. Based on the foregoing and other applicable considerations, the Board concluded that the Adviser's advisory fee rate charged to the Fund was reasonable.

Cost of Services and Profitability

The Board considered information provided by the Adviser regarding the costs of services and its profitability with respect to the Fund. In this regard, the Board considered the Adviser's resources devoted to the Fund, as well as the Adviser's discussion of the aggregate costs and profitability of its mutual fund activities. The Board noted the Adviser's representation that, although the Adviser does not maintain a separate profit and loss analysis specific to the Fund or allocate proportional expenses to the Fund, the Adviser believes that the Fund produces a lower profit margin than the Adviser'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 Adviser's other investment management offerings. The Board also noted that the Adviser had in place a contractual expense waiver to ensure that the expense ratio for the Fund remained at reasonable levels and that the Fund was currently operating above the expense cap, resulting in the Adviser's partial subsidization of Fund expenses. Based on these and other applicable considerations, the Board concluded that the Adviser'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 Adviser's representation that the Adviser was open to considering 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, and in light of the size of the Fund, 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 Adviser'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 Adviser 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.

Shareholder Proxy Vote

At a special meeting of shareholders for all the Funds in the Trust, held on December 8, 2017, shares were voted as follows on the proposals presented to shareholders:

Matter	For	Against	Abstain
To elect David Tucker to the Board of Trustees of the Trust.	108,303,928.779	1,542,957.994	0
To elect Jennifer Brown-Strabley to the Board of Trustees of the Trust.	108,183,952.495	1,662,934.278	0
To elect Mark D. Moyer to the Board of Trustees of the Trust.	108,142,412.946	1,704,473.827	0
To elect Jessica Chase to the Board of Trustees of the Trust.	107,632,924.803	2,213,961.970	0
To elect Stacey E. Hong to the Board of Trustees of the Trust.	105,777,266.997	4,069,619.776	0

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 July 1, 2017 through December 31, 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 July 1, 2017	Ending Account Value December 31, 2017	Expenses Paid During Period*	Annualized Expense Ratio*
Actual	$ 1,000.00	$ 1,013.95	$ 5.03	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% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 100% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Code. The Fund also designates 1.39% as short-term capital gain dividends exempt from U.S. tax for foreign shareholders (QSD).

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(s) with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Series of Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
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, 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
Officers					
Jessica Chase Born: 1970	President; Principal Executive Officer	Since 2015	Senior Vice President, Atlantic since 2008.	N/A	N/A
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Atlantic since 2008.	N/A	N/A
Zachary Tackett Born: 1988	Vice President; Secretary; Anti-Money Laundering Compliance Officer	Since 2014	Counsel, Atlantic since 2014; Intern Associate, Coakley & Hyde, PLLC, 2010-2013.	N/A	N/A
Michael J. McKeen Born: 1971	Vice President	Since 2009	Senior Vice President, Atlantic since 2008.	N/A	N/A
Timothy Bowden Born: 1969	Vice President	Since 2009	Manager, Atlantic since 2008.	N/A	N/A
Geoffrey Ney Born: 1975	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A
Todd Proulx Born: 1978	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A
Carlyn Edgar Born: 1963	Vice President	Since 2008	Senior Vice President, Atlantic since 2008; Chief Compliance Officer, 2008-2016.	N/A	N/A
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.	N/A	N/A

[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 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.

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237-ANR-1217