

Semi-Annual Report  
June 30, 2018 (Unaudited)



**THE BEEHIVE FUND**

Managed by Spears Abacus Advisors LLC

**BEEHX**



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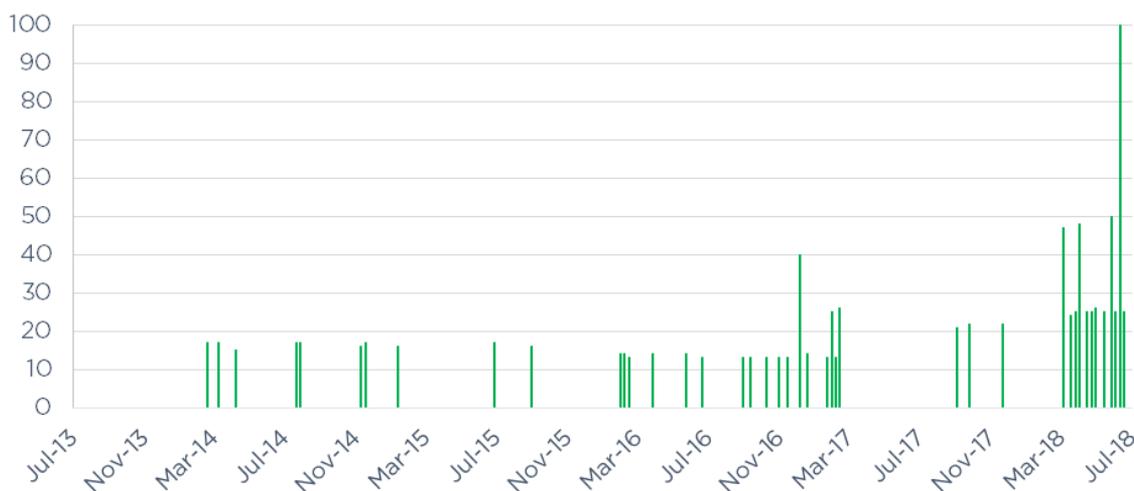
The views expressed in this report are those of the investment advisor of The BeeHive Fund (the “Fund”) as of June 30, 2018, and may not reflect its views on the date this report is first published or any time thereafter. These views are intended to assist shareholders of the Fund in understanding their investments in the Fund and do not constitute investment advice. The Fund is subject to various forms of risk, including the possible loss of principal. Investing in foreign securities entails risks not associated with domestic equities, including economic and political instability and currency fluctuations. Investing in fixed income securities includes the risk that rising interest rates will cause a decline in values. Focused investments in particular industries or market sectors can entail increased volatility and greater market risk than is the case with more broadly diversified investments. Investments in securities of small and mid-capitalization companies involve the possibility of greater volatility than investments in larger capitalization companies. Investments in American Depositary Receipts involve many of the same risks as investing in foreign securities.

Dear Shareholders,

In early 2018, investor beliefs were impacted by a lengthy absence of market volatility; out of sight, out of mind. The S&P 500 had not suffered a decline of 5% or more for 80 consecutive weeks; declines normally occur three to four times per year. By the end of January, general market enthusiasm pushed broad benchmarks to well above average valuations. However, on February 2, 2018, the release of a stronger than expected jobs report by the Bureau of Labor Statistics stoked inflation fears and jolted the market back to reality. Stock markets around the world declined 10% in a matter of days. The S&P 500 Index posted its first negative quarter since 2015 (and only the second in more than five years).

As we have noted previously, it is our strong belief that interest rates have been and will continue to be a dominant force for financial markets. U.S. equities generally moved higher during the second quarter as interest rates were deceptively stable. Despite a fair amount of inflammatory rhetoric, stocks had less volatility than during the winter months. Daily price fluctuations returned to more normal patterns, even though trade dominated headlines. Once relegated to the study of American history, the word tariff has made a comeback. It has suddenly become a popular term for Google searches (see chart below) as investors, business leaders and consumers try to make sense of the tug of war of trade negotiations.

### Frequency of the word “tariff” in Google searches in the United States



Source: Google Trends

Though escalating trade tensions have yet to produce broad market impact, as the year unfolds we feel it is important to understand how a trend toward protectionism might affect investors. So far, the consequences have been isolated and specific. Winners and losers are few in number and easily identified. U.S. producers of steel and aluminum (only a handful of companies) have been beneficiaries of the first round of tariffs. Manufactures of products that require steel, aluminum or lumber (RV's, airplanes and single-family homes) are seeing a small rise in their input costs. Retaliation from our trading partners has hurt soy bean farmers (China), Harley-Davidson (Europe) and maple syrup producers (Canada). We do not believe these are likely to be the cause of significant stock market risk.

#### The BeeHive Fund

In the U.S., investors seemed willing to embrace a bit more risk during the second quarter after the market volatility experienced during the first quarter. Small stocks, as measured by the Russell 2000 Index, outperformed large stocks. Once steady consumer staples and financials lost ground, while consumer discretionary and technology built on first quarter gains. Energy, which had been a laggard throughout 2017 and the first quarter of 2018, bounced back to be the top-performing sector during the period.

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**THE BEEHIVE FUND**  
A MESSAGE TO OUR SHAREHOLDERS  
JUNE 30, 2018

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As in the first quarter, investors were not rewarded for diversifying portfolios with non-U.S. equities. Developed market stocks, as measured by the MSCI EAFE Index, lagged the S&P 500 Index by more than 9%, although the UK, India and Australia were notable outperformers (perhaps a positive response to the second season of “The Crown”?). Emerging markets were weak in general in response to a rising U.S. dollar, as China, Brazil and Turkey had double-digit declines. The Fund benefitted from lower-than-average allocations to foreign stocks, though, as a group your non-U.S. stocks (Royal Dutch Petroleum, Nestle and Naspers) outperformed the S&P 500.

### **Impact of Interest Rates**

Absent an unexpected shock to the economy, we generally believe rates will be acting orderly and the yield curve flattening at a slow pace over the next 12 to 24 months. We believe supply/demand imbalances, as well as the Federal Reserve’s intentions to continue to increase short rates, will allow shorter maturing bond yields to increase. This should not come as a shock, as it has been well telegraphed by the Federal Reserve. Longer rates are dampened by strong demand, especially from U.S. pension funds and foreign investors. The difference between U.S. 10-year rates and German 10-year rates is over 2.5%, while inflation expectations for the two economies are only 0.80% apart. This should lead to continued strong foreign demand for U.S. Treasuries until Eurozone rates increase.

In the longer term, as the Federal Reserve approaches the neutral rate for the Fed Funds rates, somewhere around 3.0%-3.50%, the yield curve should flatten completely. In an orderly environment, we would expect this to occur over the next two to three years. However, in the real world, the timing of this flattening is subject to global political policies as well as continued domestic growth.

### **Looking Forward**

While it is always tempting to forecast change or to identify an inflection point as it is occurring, it is often more useful to recognize stability. In an environment of low interest rates and easy credit terms, corporations should continue to provide steady demand for stocks. Mergers and acquisitions, leveraged buyouts and stock buybacks show no signs of slowing down. If anything, the new tax law provides a boost to these activities.

The combination of rising earnings and relatively steady stock prices means that valuations are no longer stretched. At quarter end, the S&P 500 Index was valued at about 16.5 times estimated earnings for the next 12 months. The average valuation for the last 20 years is 16.3. By this measuring stick, we feel particularly constructive about the Fund’s portfolio, which is selling for 14.2 times average estimated earnings.

If the trade environment worsens, which is by no means guaranteed, we plan to take appropriate steps as necessary. In the current environment, we have confidence in the Fund’s portfolio, which we believe consists of strong businesses trading at compelling valuations.

Regards,

*Spears Abacus*

**THE BEEHIVE FUND**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2018**

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>	
<b>Common Stock - 94.7%</b>			The following is a summary of the inputs used to value the Fund's investments as of June 30, 2018.
<b>Consumer Discretionary - 9.0%</b>			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.
8,047	Adient PLC	\$ 395,832	
43,060	Aptiv PLC	3,945,588	
98,520	Comcast Corp., Class A	3,232,441	
21,616	Delphi Technologies PLC	982,663	
13,930	Whirlpool Corp.	2,036,984	
		<u>10,593,508</u>	
<b>Consumer Staples - 3.3%</b>			
49,750	Nestle SA, ADR	3,852,142	
<b>Energy - 5.7%</b>			
59,400	Royal Dutch Shell PLC, ADR, Class B	4,315,410	
36,420	Schlumberger, Ltd.	2,441,233	
		<u>6,756,643</u>	
<b>Financials - 21.9%</b>			
105,250	American International Group, Inc.	5,580,355	
36,970	Chubb, Ltd.	4,695,929	
100,430	CIT Group, Inc.	5,062,676	
52,437	Citigroup, Inc.	3,509,084	
35,210	JPMorgan Chase & Co.	3,668,882	
78,694	MetLife, Inc.	3,431,059	
		<u>25,947,985</u>	
<b>Health Care - 14.9%</b>			
27,942	Allergan PLC	4,658,490	
40,340	Celgene Corp. (a)	3,203,803	
54,615	Gilead Sciences, Inc.	3,868,927	
28,285	Thermo Fisher Scientific, Inc.	5,858,955	
		<u>17,590,175</u>	
<b>Industrials - 13.0%</b>			
58,130	Danaher Corp.	5,736,268	
76,820	Delta Air Lines, Inc.	3,805,663	
149,100	General Electric Co.	2,029,251	
36,355	United Parcel Service, Inc., Class B	3,861,992	
		<u>15,433,174</u>	
<b>Materials - 4.0%</b>			
134,120	Ball Corp.	4,767,966	
<b>Software &amp; Services - 18.5%</b>			
3,082	Alphabet, Inc., Class A (a)	3,480,164	
2,251	Alphabet, Inc., Class C (a)	2,511,328	
79,830	Microsoft Corp.	7,872,036	
54,360	Naspers, Ltd., ADR, Class N	2,724,523	
119,780	Oracle Corp.	5,277,507	
		<u>21,865,558</u>	
<b>Technology Hardware &amp; Equipment - 4.4%</b>			
28,070	Apple, Inc.	5,196,038	
<b>Total Common Stock (Cost \$71,098,457)</b>			
		<u><b>112,003,189</b></u>	
<b>Money Market Fund - 5.3%</b>			
6,301,566	Goldman Sachs Financial Square Treasury Instruments Fund, Institutional Shares, 1.54% (b) (Cost \$6,301,566)	6,301,566	
<b>Investments, at value - 100.0% (Cost \$77,400,023)</b>			
		<b>\$ 118,304,755</b>	
<b>Other Assets &amp; Liabilities, Net - 0.0%</b>			
		<u><b>(15,007)</b></u>	
<b>Net Assets - 100.0%</b>			
		<u><b>\$ 118,289,748</b></u>	

<u>Valuation Inputs</u>	<u>Investments in Securities</u>
Level 1 - Quoted Prices	\$ 112,003,189
Level 2 - Other Significant Observable Inputs	6,301,566
Level 3 - Significant Unobservable Inputs	—
<b>Total</b>	<b>\$ 118,304,755</b>

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 six-month period ended June 30, 2018.

**PORTFOLIO HOLDINGS**

<b>% of Total Investments</b>	
9.0%	Consumer Discretionary
3.3%	Consumer Staples
5.7%	Energy
21.9%	Financials
14.9%	Health Care
13.0%	Industrials
4.0%	Materials
18.5%	Software & Services
4.4%	Technology Hardware & Equipment
5.3%	Money Market Fund
<u>100.0%</u>	

- 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 June 30, 2018.

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**THE BEEHIVE FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**JUNE 30, 2018**

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<b>ASSETS</b>	
Investments, at value (Cost \$77,400,023)	\$ 118,304,755
Receivables:	
Dividends	85,862
Prepaid expenses	7,135
Total Assets	<u>118,397,752</u>
<b>LIABILITIES</b>	
Accrued Liabilities:	
Investment advisor fees	74,422
Trustees' fees and expenses	885
Fund services fees	14,646
Other expenses	18,051
Total Liabilities	<u>108,004</u>
<b>NET ASSETS</b>	<u>\$ 118,289,748</u>
<b>COMPONENTS OF NET ASSETS</b>	
Paid-in capital	\$ 74,221,066
Undistributed net investment income	528,010
Accumulated net realized gain	2,635,940
Net unrealized appreciation	40,904,732
<b>NET ASSETS</b>	<u>\$ 118,289,748</u>
<b>SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)</b>	<u>8,026,551</u>
<b>NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE</b>	<u>\$ 14.74</u>

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**THE BEEHIVE FUND**  
**STATEMENT OF OPERATIONS**  
**SIX MONTHS ENDED JUNE 30, 2018**

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**INVESTMENT INCOME**

Dividend income (Net of foreign withholding taxes of \$43,072)	\$ 1,145,706
Total Investment Income	<u>1,145,706</u>

**EXPENSES**

Investment advisor fees	467,983
Fund services fees	94,076
Custodian fees	6,645
Registration fees	3,025
Professional fees	24,875
Trustees' fees and expenses	4,565
Other expenses	<u>14,323</u>
Total Expenses	615,492
Investment advisor expense reimbursements recouped	<u>2,277</u>
Net Expenses	<u>617,769</u>

**NET INVESTMENT INCOME**

527,937

**NET REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain on investments	3,665,444
Net change in unrealized appreciation (depreciation) on investments	<u>(7,989,664)</u>

**NET REALIZED AND UNREALIZED LOSS** (4,324,220)

**DECREASE IN NET ASSETS RESULTING FROM OPERATIONS** \$ (3,796,283)

**THE BEEHIVE FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>For the Six Months Ended June 30, 2018</b>	<b>For the Year Ended December 31, 2017</b>
<b>OPERATIONS</b>		
Net investment income	\$ 527,937	\$ 816,268
Net realized gain	3,665,444	3,264,000
Net change in unrealized appreciation (depreciation)	(7,989,664)	9,034,681
Increase (Decrease) in Net Assets Resulting from Operations	<u>(3,796,283)</u>	<u>13,114,949</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>		
Net investment income	-	(794,709)
Net realized gain	-	(4,283,122)
Total Distributions to Shareholders	<u>-</u>	<u>(5,077,831)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Sale of shares	2,420,637	9,939,469
Reinvestment of distributions	-	4,933,482
Redemption of shares	(11,210,141)	(9,883,267)
Increase (Decrease) in Net Assets from Capital Share Transactions	<u>(8,789,504)</u>	<u>4,989,684</u>
Increase (Decrease) in Net Assets	<u>(12,585,787)</u>	<u>13,026,802</u>
<b>NET ASSETS</b>		
Beginning of Period	130,875,535	117,848,733
End of Period (Including line (a))	<u>\$ 118,289,748</u>	<u>\$ 130,875,535</u>
<b>SHARE TRANSACTIONS</b>		
Sale of shares	153,516	680,249
Reinvestment of distributions	-	320,916
Redemption of shares	(721,844)	(667,846)
Increase (Decrease) in Shares	<u>(568,328)</u>	<u>333,319</u>
(a) Undistributed net investment income	<u>\$ 528,010</u>	<u>\$ 73</u>

**THE BEEHIVE FUND**  
**FINANCIAL HIGHLIGHTS**

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

	For the Six Months Ended June 30, 2018	For the Years Ended December 31,				
		2017	2016	2015	2014	2013
<b>NET ASSET VALUE, Beginning of Period</b>	\$ 15.23	\$ 14.26	\$ 13.64	\$ 14.13	\$ 13.75	\$ 10.80
<b>INVESTMENT OPERATIONS</b>						
Net investment income (a)	0.06	0.10	0.13	0.08	0.07	0.05
Net realized and unrealized gain (loss)	(0.55)	1.48	0.70	(0.28)	1.00	3.71
Total from Investment Operations	(0.49)	1.58	0.83	(0.20)	1.07	3.76
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>						
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)
<b>NET ASSET VALUE, End of Period</b>	\$ 14.74	\$ 15.23	\$ 14.26	\$ 13.64	\$ 14.13	\$ 13.75
<b>TOTAL RETURN</b>	(3.22)%(b)	11.07%	6.11%	(1.42)%	7.87%	35.13%
<b>RATIOS/SUPPLEMENTARY DATA</b>						
Net Assets at End of Period (000s omitted)	\$ 118,290	\$ 130,876	\$ 117,849	\$ 113,313	\$ 117,051	\$ 111,890
Ratios to Average Net Assets:						
Net investment income	0.85%(c)	0.64%	0.99%	0.57%	0.50%	0.41%
Net expenses	0.99%(c)(d)	0.99%(d)	0.99%	0.99%(d)	0.99%(d)	0.99%
Gross expenses	0.99%(c)	0.99%	1.00%(e)	0.98%	0.98%	1.01%(e)
<b>PORTFOLIO TURNOVER RATE</b>	2%(b)	14%	15%	17%	25%	28%

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

(b) Not annualized.

(c) Annualized.

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

(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 period. 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 June 30, 2018, for the Fund's investments is included at the end of the Fund's Schedule of Investments.

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

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

**Federal Taxes** – The Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as amended (“Code”), and to distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all of its net investment income and capital gains, if any, the Fund will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. The Fund files a U.S. federal income and excise tax return as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of June 30, 2018, there are no uncertain tax positions that would require financial statement recognition, de-recognition or disclosure.

**Income and Expense Allocation** – The Trust accounts separately for the assets, liabilities and operations of each of its investment portfolios. Expenses that are directly attributable to more than one investment portfolio are allocated among the respective investment portfolios in an equitable manner.

**Commitments and Contingencies** – In the normal course of business, the Fund enters into contracts that provide general indemnifications by the Fund to the counterparty to the contract. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote. The Fund has determined that none of these arrangements requires disclosure on the Fund's balance sheet.

### **Note 3. Fees and Expenses**

**Investment Advisor** – Spears Abacus Advisors LLC (the “Advisor”) is the investment Advisor to the Fund. Pursuant to an investment advisory agreement, the Advisor receives an advisory fee, payable monthly, from the Fund at an annual rate of 0.75% of the Fund's average daily net assets.

**Distribution** – Foreside Fund Services, LLC serves as the Fund's distributor (the “Distributor”). The Distributor is not affiliated with the Advisor or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) (“Atlantic”) or their affiliates. The Fund has adopted a distribution plan in accordance with Rule 12b-1 of the Act. The Fund may pay the Distributor and/or any other entity as authorized by the Board a fee up to 0.25% of the Fund's average daily net assets. The Fund has suspended payments under its Rule 12b-1 plan until further notice and has not paid any distribution fees to date. The Fund may remove the suspension and make payments under the Rule 12b-1 plan at any time, subject to Board approval.

**Other Service Providers** – Atlantic provides fund accounting, fund administration, compliance and transfer agency services to the Fund. The fees related to these services are included in Fund services fees within the Statement of Operations. Atlantic also provides certain shareholder report production and EDGAR conversion and filing services. Pursuant to an Atlantic services agreement, the Fund pays Atlantic customary fees for its services. Atlantic provides a Principal Executive Officer, a Principal Financial Officer,

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**THE BEEHIVE FUND**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

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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 of \$31,000 for services to the Trust (\$41,000 for the Chairman). The Audit Committee Chairman receives an additional \$2,000 annually. The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his or her duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees’ fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

**Note 4. Expense Reimbursement and Fees Waived**

The Advisor has contractually agreed to waive its fee and/or reimburse Fund expenses to limit total annual Fund operating expenses after fee waiver and/or expense reimbursement (excluding taxes, interest, portfolio transaction expenses and extraordinary expenses) to 0.99% through April 30, 2019.

The Advisor may be reimbursed by the Fund for fees waived and expenses reimbursed pursuant to the Expense Cap if such payment is made within three years of the fee waiver or expense reimbursement and does not cause the total annual Fund operating expenses after fee waiver and/or expense reimbursement (excluding taxes, interest, portfolio transaction expenses and extraordinary expenses) of the Fund to exceed the lesser of (i) the then-current expense cap, and (ii) the expense cap in place at the time the fees/expenses were waived/reimbursed. As of June 30, 2018, \$895 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, 2018, totaled \$2,044,482 and \$8,011,756, respectively.

**Note 6. Federal Income Tax**

As of June 30, 2018, cost for federal income tax purpose is substantially the same as for financial statement purposes and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$	43,840,047
Gross Unrealized Depreciation		<u>(2,935,315)</u>
Net Unrealized Appreciation	\$	<u>40,904,732</u>

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

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

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to wash sales and equity return of capital.

**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.

**THE BEEHIVE FUND**  
**ADDITIONAL INFORMATION**  
**JUNE 30, 2018**

**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](http://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](http://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](http://www.sec.gov) or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

**Shareholder Expense Example**

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

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2018 through June 30, 2018.

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

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

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

	<b>Beginning Account Value January 1, 2018</b>	<b>Ending Account Value June 30, 2018</b>	<b>Expenses Paid During Period*</b>	<b>Annualized Expense Ratio*</b>
Actual	\$ 1,000.00	\$ 967.83	\$ 4.83	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.



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

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