
Auxier Focus Fund

Annual Report

June 30, 2017

Fund Adviser:

Auxier Asset Management LLC
15668 NE Eilers Road
Aurora, Oregon 97002

Toll Free: (877) 3AUXIER or (877) 328-9437

AUXIER FOCUS FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

JUNE 30, 2017

Improving corporate earnings and revenue growth together with an upswing in global fundamentals provided a solid backdrop for companies in the Fund, especially those with exposure to international markets. With political gridlock and a weaker US dollar, the more defensive multinational component of the Fund has been showing solid progress. The growing global debt overhang combined with accelerating technological disruption makes it more important to scrutinize the strength of each business franchise, balance sheet, cash flow and managerial capital allocation more closely. Businesses today that are utilizing advanced data analytics, mobile communications together with a customer centric passion are gaining premium valuations. While the capitalization weighted indexes appear fully valued, we are finding selective opportunities where exceptional management is brought in to build value in mismanaged enterprises. AIG, for example, just added top-flight CEO Brian Duperreault in May. As Marsh & McLennan shareholders in 2008, we benefitted tremendously as Brian helped turn around that ailing franchise. Prior to that he excelled at ACE insurance.

Individual security selection and the understanding of the value drivers and managerial leadership becomes more important in expensive markets. The risk abounds when markets are overweight in "high expectation" stocks that can torpedo portfolio returns when they crash. Especially as global central bankers may be at an inflection point in reducing massive monetary stimulus that has encouraged speculation. We want to be positioned in businesses that can weather any kind of storm.

The Double Play

To compensate for the risk in stock ownership we are continually seeking the double or triple play return. We seek out of favor businesses selling at low valuations (ideally 10-13 times earnings) that have the potential to execute and grow earnings while enjoying a price-to-earnings (P/E) multiple expansion. Markets always cycle, fads come and go, but eventually long-term returns are tied to the fundamentals of underlying sales, earnings and cash flow growth. This past year with the negative press and uncertainty surrounding companies in the healthcare industry, we were able to pick up good buys of powerful global franchises with innovative products, strong balance sheets, and high free cash flow yields with able management teams. Many industry-leading medical device companies like Zimmer traded down to 11 times forward earnings, a steep 35% discount to their normal valuation.

Supply/Demand for US Public Companies

The Private Equity Industry has been raising record amounts of capital and is thought to have buying power of nearly \$1 trillion. The supply of publicly traded companies in America has dropped by over 50% since 1997 to under 3,800. Many of the Fund companies have financial characteristics that are appealing to private equity buyers—low tech, high free cash. Today, prices being paid can be categorized as frothy as the funding for leveraged buyouts is far too easy. Covenant-lite loans have little protection for the lender and are a relaxation of loan restrictions. Former Fed chief Alan Greenspan recently commented that he sees a “bubble in bond prices.”

Portfolio Highlights

Auxier Focus Fund’s Investor Class returned 3.59% in second quarter and 14.55% for the year ended 6/30/17 vs. 3.09% and 17.90% respectively, for the S&P 500 Index. The stocks in the Fund returned 16.80%, for the year. Domestic stocks comprised 81% and foreign 14%, with cash at 5%. Since inception at the top of the market in 1999, the equity exposure has averaged 78%. A hypothetical \$10,000 investment in the Fund, since inception, has grown to \$35,794 compared to \$24,379 for the fully invested S&P 500.

| Top Holdings on 6/30/2017 | % Assets |
|-------------------------------------|-----------------|
| Bank of New York Mellon Corp | 4.0% |
| Philip Morris International | 3.9% |
| Pepsico Inc. | 3.7% |
| UnitedHealth Group Inc. | 3.6% |
| Medtronic PLC | 3.4% |
| Johnson & Johnson | 3.1% |
| Microsoft Corp. | 2.6% |
| Merck & Co.Inc. New | 2.6% |
| Mastercard Inc. | 2.6% |
| Zimmer Biomet Holdings | 2.5% |

**Auxier Focus Fund
Performance Update
June 30, 2017**

ANNUALIZED

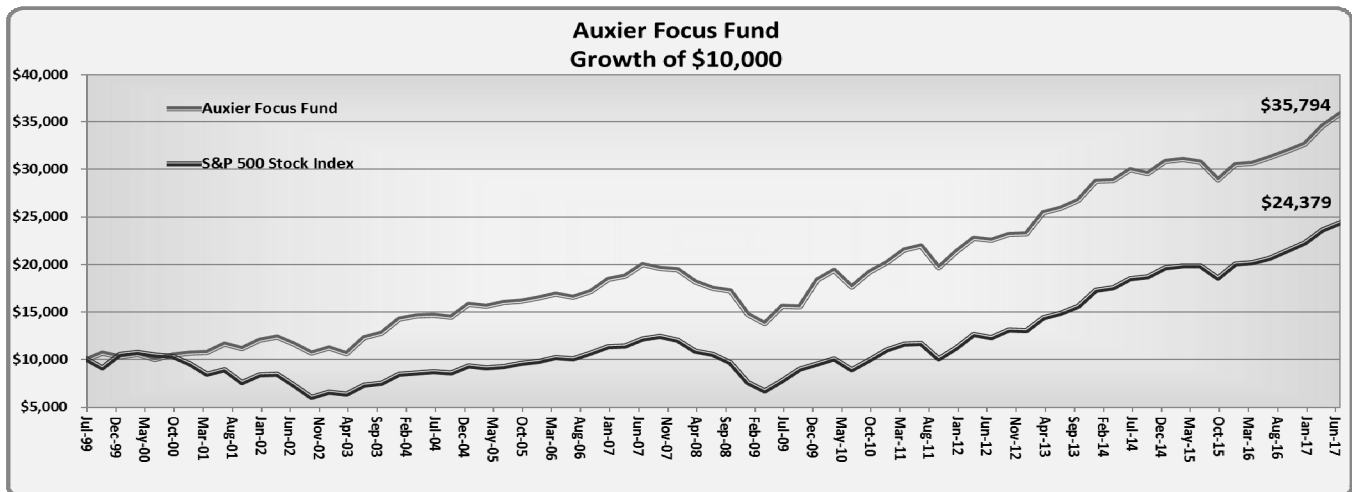
| | Inception * | 15 Year | Ten Year | Five Year | Three Year | One Year |
|---|--------------------|----------------|-----------------|------------------|-------------------|-----------------|
| Auxier Focus Fund Investor Class Shares | 7.35% | 7.77% | 5.97% | 9.68% | 6.12% | 14.55% |
| S&P 500 Index | 5.08% | 8.34% | 7.18% | 14.63% | 9.61% | 17.90% |

CUMULATIVE

| | Inception * | 15 Year | Ten Year | Five Year | Three Year | One Year |
|---|--------------------|----------------|-----------------|------------------|-------------------|-----------------|
| Auxier Focus Fund Investor Class Shares | 257.94% | 207.35% | 78.65% | 58.71% | 19.50% | 14.55% |
| S&P 500 Index | 143.74% | 232.76% | 100.08% | 97.92% | 31.70% | 17.90% |

* Fund inception: July 9, 1999

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 an investor's shares, when redeemed, may be worth more or less than original cost. As stated in the current prospectus, the Fund's Investor Class Share's annual operating expense ratio (gross) is 1.10%. The Fund's adviser has contractually agreed to waive a portion of its fee and/or reimburse Fund expenses to limit total annual operating expenses at 0.98%, which is in effect until October 31, 2017. Other share classes may vary. The Fund charges a 2.0% redemption fee on shares redeemed within six months of purchase. For the most recent month-end performance, please call (877) 328-9437 or visit the Adviser's website at www.auxierasset.com. The recent growth rate in the stock market has helped to produce short-term returns that are not typical and may not continue in the future.



Contributors to the period:

UnitedHealth Group (UNH)

UnitedHealth has continued to execute since our original purchase of \$46. The stock today is over \$185. The company, through the heavy use of data analytics, has dominated a relatively dull industry. United's market capitalization has continued to grow double digits every year for the last decade. The dividend was recently increased 20% to \$0.75.

AUXIER FOCUS FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

JUNE 30, 2017

Bank of New York (BK)

Bank of New York recently added an exceptional CEO in Charles Scharf who helped lead Visa in technology and international expansion. The company is benefitting from the relaxation in capital requirements and higher short-term interest rates. They are returning \$4 billion to shareholders while raising the dividend 26% to \$0.24.

Corning (GLW)

Corning is an innovative company that now is a leader in Gorilla Glass 5 which has applications in mobile devices and automobiles.

Mastercard (MA)

Mastercard delivered net revenue gains of 7%, for the year as the labor markets continued to improve domestically and global retail spending improved as well. Mastercard is investing \$170 million towards their E-wallet service Masterpass and partnering with PayPal Holdings to boost their mobile payment initiatives. Mastercard has delivered exceptional returns since our purchase at \$22.14, compared to the current market of \$128.

America Movil (AMX)

Controlled by the Slim family of Mexico, America Movil has been "hopelessly out of favor" as they are the number one telecom player in Latin America and have suffered with currencies and increased competition. However, they are good operators and showed a 13.5% increase in revenue for the year ended 6/30/17. They are adding 4.5G which is expected to be 7.5 times faster than 4G. The Slim family has several generations of cumulative business experience in many of the markets they serve.

Unilever (UN)

Unilever under the leadership of Paul Polman has accelerated shareholder enhancing initiatives while improving operational execution. The threat of a takeover by Kraft Heinz provided a strong catalyst for action.

Oracle (ORCL)

Oracle has found success in the continued development of the Oracle Cloud and Gen2 infrastructure which claims to be both faster and lower cost than Amazon Web Services (AWS). They expect cloud revenues to overtake license revenues in the next fiscal year.

Johnson & Johnson (JNJ)

AAA rated Johnson & Johnson is the world's largest medical conglomerate. Johnson & Johnson just completed the acquisition of Actelion which gives them a sixth therapeutic area to address potential patients with pulmonary arterial hypertension. Johnson & Johnson expects the acquisition of Actelion to add \$1.3 billion in sales for 2017.

Detractors to the period:**Kroger (KR)**

Kroger is the leading grocer in the US. The price of groceries has declined for 18 consecutive months which represents one of the longest declines in over 50 years. Egg prices are down over 60% in the past three years. Eating at home is a tremendous bargain compared to eating out. New competitors like Amazon/Whole Foods and foreign entrants Aldi and Lidl have added to the negative sentiment. Kroger has competed very well with Walmart for several years now. Kroger is a fierce competitor and after visiting several stores in three states we are convinced they offer compelling food value and strong execution. At 11 times depressed earnings it looks too cheap.

Molson Coors (TAP)

Molson is a beer brand that has endured over 150 years. They recently made a good buy on Miller which greatly enhances their distribution in the US. Despite being a leading player in craft beer, there is a plethora of brewers which has led to a correction in TAP's share price. Free cash flow is over \$1 billion.

AUXIER FOCUS FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

JUNE 30, 2017

Discovery (DISCA)

John Malone is the largest shareholder and is on record with the intention of consolidating the media "content" space. This can act as a positive catalyst for Discovery which is a leader in European sports programming in addition to the US. We have been happy shareholders of John Malone for years. The stock trades for 11 times forward earnings.

Compound Interest

Compounding at high returns over long periods continues to be our focus. To help improve the odds of successful compounding, we constantly seek to manage and mitigate risk through dedicated research and a cumulative knowledge of investment cycles. Costco's former CEO Jim Sinegal used to say, "retail is detail." When preserving and growing one's life savings, we believe strongly in daily details and ledgers to drive long term results. Technological disruption is coming at a furious pace. There is a chorus of financial experts who claim investors don't have to study, learn and think. It has been my experience, having operated in the market trenches for over 33 years, that a key to surviving in today's investment landscape is having the humility to prepare through a consistent research effort while questioning conventional wisdom and maintaining flexibility to adapt to ever-changing facts and fundamentals.

We appreciate your trust.

Jeff Auxier

Fund returns (i) assume the reinvestment of all dividends and capital gain distributions and (ii) would have been lower during the period if certain fees and expenses had not been waived. Performance shown is for the Fund's Investor Class shares; returns for other share classes will vary. Performance for Investor Class shares for periods prior to December 10, 2004 reflects performance of the applicable share class of Auxier Focus Fund, a series of Unified Series Trust (the "Predecessor Fund"). Prior to January 3, 2003, the Predecessor Fund was a series of Ameriprime Funds. The performance of the Fund's Investor Class shares for the period prior to December 10, 2004 reflects the expenses of the Predecessor Fund.

The Fund may invest in value and/or growth stocks. Investments in value stocks are subject to risk that their intrinsic value may never be realized and investments in growth stocks may be susceptible to rapid price swings, especially during periods of economic uncertainty. In addition, the Fund may invest in mid-sized companies which generally carry greater risk than is customarily associated with larger companies. Moreover, if the Fund's portfolio is overweighted in a sector, any negative development affecting that sector will have a greater impact on the Fund than a fund that is not overweighted in that sector. An increase in interest rates typically causes a fall in the value of a debt security (Fixed-Income Securities Risk) with corresponding changes to the Fund's value.

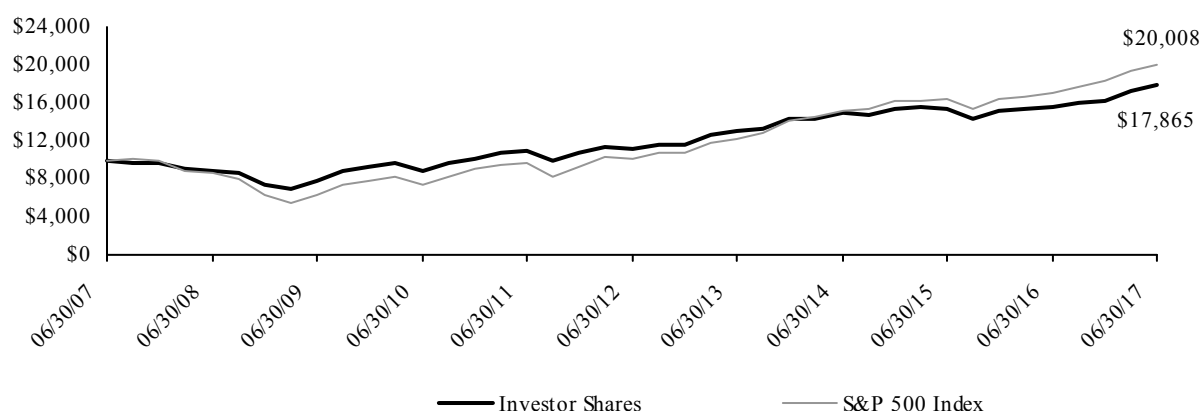
The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 widely held common stocks. One cannot invest directly in an index or average.

The views in this shareholder letter were those of the Fund Manager as of the letter's publication date and may not reflect his views on the date this letter is first distributed or anytime thereafter. These views are intended to assist readers in understanding the Fund's investment methodology and do not constitute investment advice.

AUXIER FOCUS FUND
PERFORMANCE CHART AND ANALYSIS (Unaudited)
JUNE 30, 2017

The following chart reflects the change in the value of a hypothetical \$10,000 investment in Investor Shares, including reinvested dividends and distributions, in the Fund compared with the performance of the benchmark, the S&P 500 Index ("S&P 500"), over the past ten fiscal years. 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 Fund's classes includes the maximum sales charge of 5.75% (A Shares only) and operating expenses that reduce returns, while the total return of the S&P 500 does not include the effect of sales charges and expenses. A Shares are subject to a 1.00% contingent deferred sales charge on shares purchased without an initial sales charge and redeemed less than one year after purchase. 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
Investor Shares vs. S&P 500 Index**



**Average Annual Total Returns
Periods Ended June 30, 2017:**

| | <u>1 Year</u> | <u>5 Years</u> | <u>10 Years</u> | <u>Since Inception⁽¹⁾</u> |
|--|---------------|----------------|-----------------|--------------------------------------|
| Investor Shares | 14.55% | 9.68% | 5.97% | 7.35% |
| S&P 500 Index (Since July 9, 1999) | 17.90% | 14.63% | 7.18% | 5.08% |
| A Shares (with sales charge) ⁽²⁾⁽³⁾ | 7.71% | 8.31% | 5.30% | 6.98% |
| Institutional Shares ⁽³⁾ | 14.72% | 9.89% | 6.08% | 7.41% |

⁽¹⁾ Investor, A Shares and Institutional Shares commenced operations on July 9, 1999, July 8, 2005, and May 9, 2012, respectively.

⁽²⁾ Due to shareholder redemptions on August 21, 2005, net assets of the class were zero from the close of business on that date until September 22, 2005. Financial information presented for the period August 21, 2005 to September 22, 2005 reflects performance of Investor Shares of the Fund.

⁽³⁾ For Institutional Shares, performance for the 10-year and since inception periods are blended average annual returns which include the returns of the Investor Shares prior to commencement of operations of the Institutional Shares. For A Shares, performance for the since inception period is a blended average annual which includes the return of the Investor Shares prior to commencement of operations of the A Shares.

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 visit the website of the Fund's investment adviser at www.auxierasset.com or call (877) 328-9437. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Investor Shares, A Shares and Institutional Shares are 1.10%, 1.41% and 1.11%, respectively. However, the Fund's adviser has contractually agreed to waive a portion of its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses after Fee Waiver and/or Expense Reimbursement (excluding all taxes, interest, portfolio transaction expenses, dividend expenses on short sales, and extraordinary expenses) to 0.98%, 1.25% and 0.80% for Investor Shares, A Shares and Institutional Shares, respectively, through October 31, 2017. Shares redeemed or exchanged within 180 days of purchase will be charged a 2.00% redemption fee. 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.

Performance for Investor Shares for periods prior to December 10, 2004, reflects performance and expenses of Auxier Focus Fund, a series of Unified Series Trust (the "Predecessor Fund"). Prior to January 3, 2003, the Predecessor Fund was a series of Ameriprime Funds.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2017

| Shares | Security Description | Value | Shares | Security Description | Value |
|--------------------------------------|--|-------------------|--------------------------------------|--|-------------------|
| Common Stock - 94.9% | | | 1,280 | Ameriprise Financial, Inc. | \$ 162,931 |
| Communications - 3.6% | | | 213,649 | Bank of America Corp. | 5,183,125 |
| 268,525 | America Movil SAB de CV, ADR | \$ 4,274,918 | 16,415 | Berkshire Hathaway, Inc., Class B ^(a) | 2,780,208 |
| 25,569 | Cisco Systems, Inc. | 800,310 | 69,374 | Central Pacific Financial Corp. | 2,183,200 |
| 219,738 | Telefonica SA, ADR | 2,283,078 | 25,975 | Citigroup, Inc. | 1,737,208 |
| 125 | The Walt Disney Co. | 13,281 | 5,616 | Colliers International Group, Inc. | 317,023 |
| 37,860 | Twenty-First Century Fox, Inc., Class A | 1,072,952 | 132,268 | Credit Suisse Group AG, ADR | 1,931,113 |
| 11,845 | Viacom, Inc., Class B | 397,637 | 5,616 | FirstService Corp. | 359,312 |
| | | <u>8,842,176</u> | 78,110 | Franklin Resources, Inc. | 3,498,547 |
| Consumer Discretionary - 6.5% | | | 32,900 | Legg Mason, Inc. | 1,255,464 |
| 27,700 | Arcos Dorados Holdings, Inc., Class A ^(a) | 206,365 | 4,525 | Marsh & McLennan Cos., Inc. | 352,769 |
| 60,720 | Comcast Corp., Class A | 2,363,222 | 52,550 | Mastercard, Inc., Class A | 6,382,197 |
| 9,990 | CVS Health Corp. | 803,795 | 1,100 | PayPal Holdings, Inc. ^(a) | 59,037 |
| 114,077 | Discovery Communications, Inc., Class A ^(a) | 2,946,609 | 195,050 | The Bank of New York Mellon Corp. | 9,951,451 |
| 4,641 | Discovery Communications, Inc., Class C ^(a) | 117,000 | 28,418 | The Travelers Cos., Inc. | 3,595,729 |
| 16,250 | General Motors Co. | 567,613 | 7,350 | U.S. Bancorp | 381,612 |
| 39,712 | H&R Block, Inc. | 1,227,498 | 15,249 | Unum Group | 711,061 |
| 200,905 | Lincoln Educational Services Corp. ^(a) | 622,805 | 31,600 | Visa, Inc., Class A | 2,963,448 |
| 18,550 | Lowe's Cos., Inc. | 1,438,181 | 23,000 | Waddell & Reed Financial, Inc., Class A | 434,240 |
| 6,656 | McDonald's Corp. | 1,019,433 | 1,325 | Wells Fargo & Co. | 73,418 |
| 510 | Red Robin Gourmet Burgers, Inc. ^(a) | 33,278 | | | <u>50,267,120</u> |
| 3,250 | Sally Beauty Holdings, Inc. ^(a) | 65,813 | Health Care - 24.6% | | |
| 1,176 | The Andersons, Inc. | 40,160 | 51,551 | Abbott Laboratories | 2,505,894 |
| 4,725 | The Home Depot, Inc. | 724,815 | 2,900 | Alkermes PLC ^(a) | 168,113 |
| 12,650 | Time Warner, Inc. | 1,270,186 | 4,885 | Allergan PLC | 1,187,495 |
| 26,135 | Vitamin Shoppe, Inc. ^(a) | 304,473 | 175 | Amgen, Inc. | 30,140 |
| 20,150 | Wal-Mart Stores, Inc. | 1,524,952 | 20,231 | Anthem, Inc. | 3,806,058 |
| 7,050 | Yum China Holdings, Inc. ^(a) | 277,982 | 16,200 | Becton Dickinson and Co. | 3,160,782 |
| 7,050 | Yum! Brands, Inc. | 520,008 | 13,940 | Biogen, Inc. ^(a) | 3,782,758 |
| | | <u>16,074,188</u> | 7,765 | Bioerativ, Inc. ^(a) | 467,220 |
| Consumer Staples - 22.1% | | | 55,424 | Express Scripts Holding Co. ^(a) | 3,538,268 |
| 62,500 | Altria Group, Inc. | 4,654,375 | 1,780 | Gilead Sciences, Inc. | 125,989 |
| 30,200 | British American Tobacco PLC, ADR | 2,069,908 | 26,000 | GlaxoSmithKline PLC, ADR | 1,121,120 |
| 5,651 | Cal-Maine Foods, Inc. | 223,780 | 58,240 | Johnson & Johnson | 7,704,570 |
| 13,200 | Coca-Cola HBC AG, ADR ^(a) | 387,816 | 95,003 | Medtronic PLC | 8,431,516 |
| 23,090 | Conagra Brands, Inc. | 825,698 | 100,969 | Merck & Co., Inc. | 6,471,103 |
| 8,785 | Diageo PLC, ADR | 1,052,707 | 14,582 | Pfizer, Inc. | 489,809 |
| 23,850 | Dr. Pepper Snapple Group, Inc. | 2,172,974 | 25,337 | Quest Diagnostics, Inc. | 2,816,461 |
| 18,600 | Kelly Services, Inc., Class A | 417,570 | 1,303 | Shire PLC, ADR | 215,347 |
| 15,378 | Lamb Weston Holdings, Inc. | 677,247 | 8,000 | Synergy Pharmaceuticals, Inc. ^(a) | 35,600 |
| 50,327 | Molson Coors Brewing Co., Class B | 4,345,233 | 47,523 | UnitedHealth Group, Inc. | 8,811,715 |
| 35,300 | Monster Beverage Corp. ^(a) | 1,753,704 | 47,400 | Zimmer Biomet Holdings, Inc. | 6,086,160 |
| 80,060 | PepsiCo, Inc. | 9,246,129 | | | <u>60,956,118</u> |
| 83,220 | Philip Morris International, Inc. | 9,774,189 | Industrials - 3.9% | | |
| 293,949 | Tesco PLC, ADR ^(a) | 1,975,337 | 625 | AGCO Corp. | 42,119 |
| 64,300 | The Coca-Cola Co. | 2,883,855 | 183,041 | Corning, Inc. | 5,500,382 |
| 2,845 | The J.M. Smucker Co. | 336,649 | 88,671 | Manitex International, Inc. ^(a) | 618,924 |
| 203,368 | The Kroger Co. | 4,742,542 | 12,500 | Raytheon Co. | 2,018,500 |
| 23,525 | The Procter & Gamble Co. | 2,050,204 | 8,575 | Textainer Group Holdings, Ltd. ^(a) | 124,337 |
| 33,720 | The Western Union Co. | 642,366 | 2,350 | The Boeing Co. | 464,712 |
| 81,550 | Unilever NV, ADR | 4,507,268 | 8,515 | United Parcel Service, Inc., Class B | 941,674 |
| | | <u>54,739,551</u> | | | <u>9,710,648</u> |
| Energy - 3.4% | | | Information Technology - 6.0% | | |
| 144,810 | BP PLC, ADR | 5,017,667 | 43,910 | Cerner Corp. ^(a) | 2,918,697 |
| 10,130 | Chevron Corp. | 1,056,863 | 16,675 | Cognizant Technology Solutions Corp., Class A | 1,107,220 |
| 15,600 | ConocoPhillips | 685,776 | 95,147 | Microsoft Corp. | 6,558,483 |
| 7,800 | Phillips 66 | 644,982 | 82,320 | Oracle Corp. | 4,127,525 |
| 15,340 | Valero Energy Corp. | 1,034,836 | | | <u>14,711,925</u> |
| | | <u>8,440,124</u> | Materials - 3.9% | | |
| Financials - 20.3% | | | 14,225 | Celanese Corp., Class A | 1,350,521 |
| 44,370 | Aflac, Inc. | 3,446,662 | 30,715 | E.I. du Pont de Nemours & Co. | 2,479,008 |
| 40,105 | American International Group, Inc. | 2,507,365 | 26,505 | LyondellBasell Industries NV, Class A | 2,236,757 |

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2017

| Shares | Security Description | Value |
|--|------------------------------|---------------------------|
| 46,250 | The Dow Chemical Co. | \$ 2,916,987 |
| 32,055 | The Mosaic Co. | 731,816 |
| | | <u>9,715,089</u> |
| Telecommunications - 0.4% | | |
| 27,775 | CenturyLink, Inc. | 663,267 |
| 7,335 | Verizon Communications, Inc. | 327,581 |
| | | <u>990,848</u> |
| Transportation - 0.2% | | |
| 2,550 | Delta Air Lines, Inc. | 137,037 |
| 3,160 | Union Pacific Corp. | 344,156 |
| | | <u>481,193</u> |
| Total Common Stock (Cost \$136,706,458) | | <u>234,928,980</u> |

| Principal | Security Description | Rate | Value |
|--|--|-------|------------------------------|
| Fixed Income Securities - 0.4% | | | |
| Corporate Non-Convertible Bonds - 0.4% | | | |
| Financials - 0.4% | | | |
| \$ 500,000 | Citigroup, Inc. (callable at 100 beginning 05/15/23) ^{(b)(c)} | 5.35% | \$ 511,875 |
| 500,000 | Fifth Third Bancorp (callable at 100 beginning 06/30/23) ^{(b)(c)} | 5.10% | 510,000 |
| | | | <u>1,021,875</u> |
| Total Corporate Non-Convertible Bonds (Cost \$998,792) | | | <u>1,021,875</u> |
| Total Investments - 95.3% (Cost \$137,705,250)* | | | \$ 235,950,855 |
| Other Assets & Liabilities, Net - 4.7% | | | <u>11,727,385</u> |
| Net Assets - 100.0% | | | <u>\$ 247,678,240</u> |

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.
 (c) Perpetual maturity security.

* Cost for federal income tax purposes is \$137,620,373 and net unrealized appreciation consists of:

| | |
|-------------------------------|----------------------|
| Gross Unrealized Appreciation | \$ 108,385,159 |
| Gross Unrealized Depreciation | (10,054,677) |
| Net Unrealized Appreciation | <u>\$ 98,330,482</u> |

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.

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|-----------------------------|---------------------------|--------------------|-----------------------------|
| Assets | | | | |
| Investments At Value | | | | |
| Common Stock | | | | |
| Communications | \$ 8,842,176 | \$ - | \$ - | \$ 8,842,176 |
| Consumer Discretionary | 16,074,188 | - | - | 16,074,188 |
| Consumer Staples | 54,351,735 | 387,816 | - | 54,739,551 |
| Energy | 8,440,124 | - | - | 8,440,124 |
| Financials | 50,267,120 | - | - | 50,267,120 |
| Health Care | 60,956,118 | - | - | 60,956,118 |
| Industrials | 9,710,648 | - | - | 9,710,648 |
| Information Technology | 14,711,925 | - | - | 14,711,925 |
| Materials | 9,715,089 | - | - | 9,715,089 |
| Telecommunications | 990,848 | - | - | 990,848 |
| Transportation | 481,193 | - | - | 481,193 |
| Corporate Non-Convertible Bonds | - | 1,021,875 | - | 1,021,875 |
| Total Investments At Value | <u>\$234,541,164</u> | <u>\$1,409,691</u> | <u>\$ -</u> | <u>\$235,950,855</u> |

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 June 30, 2017.

PORTFOLIO HOLDINGS

| | |
|---------------------------------|---------------|
| % of Net Assets | |
| Common Stock | 94.9% |
| Corporate Non-Convertible Bonds | 0.4% |
| Cash and Other Net Assets | 4.7% |
| | <u>100.0%</u> |

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2017

ASSETS

| | |
|--|--------------------|
| Total investments, at value (Cost \$137,705,250) | \$ 235,950,855 |
| Cash | 11,224,343 |
| Receivables: | |
| Fund shares sold | 52,876 |
| Investment securities sold | 353,244 |
| Dividends and interest | 386,591 |
| Prepaid expenses | 23,406 |
| Total Assets | 247,991,315 |

LIABILITIES

| | |
|-----------------------------|----------------|
| Payables: | |
| Fund shares redeemed | 106,521 |
| Accrued Liabilities: | |
| Investment adviser fees | 133,710 |
| Trustees' fees and expenses | 739 |
| Fund services fees | 27,096 |
| Other expenses | 45,009 |
| Total Liabilities | 313,075 |

NET ASSETS

\$ 247,678,240

COMPONENTS OF NET ASSETS

| | |
|-------------------------------------|-----------------------|
| Paid-in capital | \$ 138,311,667 |
| Undistributed net investment income | 1,455,058 |
| Accumulated net realized gain | 9,665,910 |
| Net unrealized appreciation | 98,245,605 |
| NET ASSETS | \$ 247,678,240 |

SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)

| | |
|----------------------|-----------|
| Investor Shares | 8,445,620 |
| A Shares | 125,836 |
| Institutional Shares | 2,669,902 |

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*

| | |
|---|----------|
| Investor Shares (based on net assets of \$185,362,911) | \$ 21.95 |
| A Shares (based on net assets of \$2,797,348) | \$ 22.23 |
| A Shares Maximum Public Offering Price Per Share (net asset value per share/(100%-5.75%)) | \$ 23.59 |
| Institutional Shares (based on net assets of \$59,517,981) | \$ 22.29 |

* Shares redeemed or exchanged within 180 days of purchase are charged a 2.00% redemption fee.

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2017

INVESTMENT INCOME

| | |
|--|------------------|
| Dividend income (Net of foreign withholding taxes of \$45,613) | \$ 5,286,987 |
| Interest income | 83,345 |
| Total Investment Income | <u>5,370,332</u> |

EXPENSES

| | |
|-------------------------------------|------------------|
| Investment adviser fees | 2,163,727 |
| Fund services fees | 327,386 |
| Transfer agent fees: | |
| Investor Shares | 63,210 |
| A Shares | 1,157 |
| Institutional Shares | 3,122 |
| Distribution fees: | |
| A Shares | 6,631 |
| Custodian fees | 25,998 |
| Registration fees: | |
| Investor Shares | 17,465 |
| A Shares | 4,192 |
| Institutional Shares | 15,295 |
| Professional fees | 55,122 |
| Shareholder Service fees: | |
| Investor Shares | 114,558 |
| A Shares | 147 |
| Institutional Shares | 40,313 |
| Trustees' fees and expenses | 20,089 |
| Other expenses | 57,103 |
| Total Expenses | <u>2,915,515</u> |
| Fees waived and expenses reimbursed | <u>(418,378)</u> |
| Net Expenses | <u>2,497,137</u> |

| | |
|------------------------------|------------------|
| NET INVESTMENT INCOME | <u>2,873,195</u> |
|------------------------------|------------------|

NET REALIZED AND UNREALIZED GAIN

| | |
|---|------------|
| Net realized gain on investments | 10,382,605 |
| Net change in unrealized appreciation (depreciation) on investments | 20,893,874 |

| | |
|---|-------------------|
| NET REALIZED AND UNREALIZED GAIN | <u>31,276,479</u> |
|---|-------------------|

| | |
|---|----------------------|
| INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | <u>\$ 34,149,674</u> |
|---|----------------------|

AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

| | <u>For the Year Ended June 30, 2017</u> | | <u>For the Year Ended June 30, 2016</u> | |
|--|---|--------------------|---|---------------------|
| | | <u>Shares</u> | | <u>Shares</u> |
| OPERATIONS | | | | |
| Net investment income | \$ 2,873,195 | | \$ 2,831,673 | |
| Net realized gain | 10,382,605 | | 9,730,243 | |
| Net change in unrealized appreciation (depreciation) | <u>20,893,874</u> | | <u>(8,819,697)</u> | |
| Increase in Net Assets Resulting from Operations | | <u>34,149,674</u> | | <u>3,742,219</u> |
| DISTRIBUTIONS TO SHAREHOLDERS FROM | | | | |
| Net investment income: | | | | |
| Investor Shares | (2,228,585) | | (2,248,905) | |
| A Shares | (18,288) | | (22,824) | |
| Institutional Shares | (573,352) | | (385,094) | |
| Net realized gain: | | | | |
| Investor Shares | (3,141,650) | | (9,632,084) | |
| A Shares | (41,172) | | (170,302) | |
| Institutional Shares | <u>(803,916)</u> | | <u>(1,612,577)</u> | |
| Total Distributions to Shareholders | | <u>(6,806,963)</u> | | <u>(14,071,786)</u> |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Sale of shares: | | | | |
| Investor Shares | 13,833,788 | 675,235 | 20,810,841 | 1,061,055 |
| A Shares | 25,047 | 1,169 | 11,861 | 568 |
| Institutional Shares | 11,678,690 | 564,828 | 13,491,947 | 684,197 |
| Reinvestment of distributions: | | | | |
| Investor Shares | 5,165,360 | 255,391 | 11,337,657 | 585,561 |
| A Shares | 59,012 | 2,879 | 172,938 | 8,861 |
| Institutional Shares | 1,306,095 | 63,637 | 1,964,718 | 100,186 |
| Redemption of shares: | | | | |
| Investor Shares | (58,720,531) | (2,840,659) | (50,933,072) | (2,604,822) |
| A Shares | (283,606) | (13,793) | (2,827,075) | (142,309) |
| Institutional Shares | (2,325,115) | (111,073) | (941,455) | (47,755) |
| Redemption fees | | | | |
| Investor Shares | 6,978 | - | 9,797 | - |
| A Shares | 91 | - | 195 | - |
| Institutional Shares | <u>1,835</u> | <u>-</u> | <u>1,290</u> | <u>-</u> |
| Decrease in Net Assets from Capital Share Transactions | <u>(29,252,356)</u> | <u>(1,402,386)</u> | <u>(6,900,358)</u> | <u>(354,458)</u> |
| Decrease in Net Assets | | <u>(1,909,645)</u> | | <u>(17,229,925)</u> |
| NET ASSETS | | | | |
| Beginning of Year | | <u>249,587,885</u> | | <u>266,817,810</u> |
| End of Year (Including line (a)) | \$ | <u>247,678,240</u> | \$ | <u>249,587,885</u> |
| (a) Undistributed net investment income | \$ | <u>1,455,058</u> | \$ | <u>1,407,648</u> |

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

| | For the Year Ended June 30, | | | | |
|---|------------------------------------|-------------|-------------|-------------|-------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| INVESTOR SHARES | | | | | |
| NET ASSET VALUE, Beginning of Year | \$ 19.69 | \$ 20.50 | \$ 20.75 | \$ 18.59 | \$ 16.49 |
| INVESTMENT OPERATIONS | | | | | |
| Net investment income (a) | 0.23 | 0.21 | 0.17 | 0.20 | 0.21 |
| Net realized and unrealized gain | 2.59 | 0.08 | 0.38 | 2.63 | 2.23 |
| Total from Investment Operations | 2.82 | 0.29 | 0.55 | 2.83 | 2.44 |
| DISTRIBUTIONS TO SHAREHOLDERS FROM | | | | | |
| Net investment income | (0.23) | (0.20) | (0.20) | (0.22) | (0.22) |
| Net realized gain | (0.33) | (0.90) | (0.60) | (0.45) | (0.12) |
| Total Distributions to Shareholders | (0.56) | (1.10) | (0.80) | (0.67) | (0.34) |
| REDEMPTION FEES (a) | —(b) | —(b) | —(b) | —(b) | —(b) |
| NET ASSET VALUE, End of Year | \$ 21.95 | \$ 19.69 | \$ 20.50 | \$ 20.75 | \$ 18.59 |
| TOTAL RETURN | 14.55% | 1.58% | 2.69% | 15.43% | 15.06% |
| RATIOS/SUPPLEMENTARY DATA | | | | | |
| Net Assets at End of Year (000's omitted) | \$185,363 | \$203,921 | \$231,911 | \$285,094 | \$277,536 |
| Ratios to Average Net Assets: | | | | | |
| Net investment income | 1.11% | 1.10% | 0.83% | 1.00% | 1.22% |
| Net expenses | 1.03% | 1.14% | 1.24% | 1.24% | 1.25% |
| Gross expenses (c) | 1.16% | 1.30% | 1.27% | 1.26% | 1.28% |
| PORTFOLIO TURNOVER RATE | 5% | 6% | 4% | 9% | 11% |

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

(b) Less than \$0.01 per share.

(c) Reflects the expense ratio excluding any waivers and/or reimbursements.

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

| A SHARES | For the Year Ended June 30, | | | | |
|---|-----------------------------|----------|----------|----------|----------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| NET ASSET VALUE, Beginning of Year | \$ 19.90 | \$ 20.64 | \$ 20.85 | \$ 18.63 | \$ 16.49 |
| INVESTMENT OPERATIONS | | | | | |
| Net investment income (a) | 0.19 | 0.19 | 0.18 | 0.20 | 0.21 |
| Net realized and unrealized gain | 2.61 | 0.09 | 0.36 | 2.64 | 2.24 |
| Total from Investment Operations | 2.80 | 0.28 | 0.54 | 2.84 | 2.45 |
| DISTRIBUTIONS TO SHAREHOLDERS FROM | | | | | |
| Net investment income | (0.14) | (0.12) | (0.15) | (0.17) | (0.19) |
| Net realized gain | (0.33) | (0.90) | (0.60) | (0.45) | (0.12) |
| Total Distributions to Shareholders | (0.47) | (1.02) | (0.75) | (0.62) | (0.31) |
| REDEMPTION FEES (a) | —(b) | —(b) | —(b) | —(b) | —(b) |
| NET ASSET VALUE, End of Year | \$ 22.23 | \$ 19.90 | \$ 20.64 | \$ 20.85 | \$ 18.63 |
| TOTAL RETURN (c) | 14.28% | 1.49% | 2.63% | 15.45% | 15.06% |
| RATIOS/SUPPLEMENTARY DATA | | | | | |
| Net Assets at End of Year (000's omitted) | \$2,797 | \$2,698 | \$5,541 | \$5,108 | \$2,158 |
| Ratios to Average Net Assets: | | | | | |
| Net investment income | 0.91% | 0.94% | 0.84% | 1.02% | 1.22% |
| Net expenses | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% |
| Gross expenses (d) | 1.54% | 1.61% | 1.56% | 1.62% | 1.62% |
| PORTFOLIO TURNOVER RATE | 5% | 6% | 4% | 9% | 11% |

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

(b) Less than \$0.01 per share.

(c) Total Return does not include the effect of front end sales charge or contingent deferred sales charge.

(d) Reflects the expense ratio excluding any waivers and/or reimbursements.

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

| | For the Year Ended June 30, | | | | |
|---|------------------------------------|-------------|-------------|-------------|-------------|
| INSTITUTIONAL SHARES | 2017 | 2016 | 2015 | 2014 | 2013 |
| NET ASSET VALUE, Beginning of Year | \$ 19.96 | \$ 20.74 | \$ 20.91 | \$ 18.66 | \$ 16.50 |
| INVESTMENT OPERATIONS | | | | | |
| Net investment income (a) | 0.28 | 0.25 | 0.24 | 0.25 | 0.26 |
| Net realized and unrealized gain | 2.61 | 0.08 | 0.36 | 2.64 | 2.22 |
| Total from Investment Operations | 2.89 | 0.33 | 0.60 | 2.89 | 2.48 |
| DISTRIBUTIONS TO SHAREHOLDERS FROM | | | | | |
| Net investment income | (0.23) | (0.21) | (0.17) | (0.19) | (0.20) |
| Net realized gain | (0.33) | (0.90) | (0.60) | (0.45) | (0.12) |
| Total Distributions to Shareholders | (0.56) | (1.11) | (0.77) | (0.64) | (0.32) |
| REDEMPTION FEES (a) | —(b) | —(b) | —(b) | —(b) | —(b) |
| NET ASSET VALUE, End of Year | \$ 22.29 | \$ 19.96 | \$ 20.74 | \$ 20.91 | \$ 18.66 |
| TOTAL RETURN | 14.72% | 1.74% | 2.93% | 15.73% | 15.28% |
| RATIOS/SUPPLEMENTARY DATA | | | | | |
| Net Assets at End of Year (000's omitted) | \$59,518 | \$42,969 | \$29,366 | \$8,001 | \$5,313 |
| Ratios to Average Net Assets: | | | | | |
| Net investment income | 1.32% | 1.27% | 1.13% | 1.25% | 1.48% |
| Net expenses | 0.86% | 1.00% | 1.00% | 1.00% | 1.00% |
| Gross expenses (c) | 1.16% | 1.31% | 1.36% | 1.47% | 1.55% |
| PORTFOLIO TURNOVER RATE | 5% | 6% | 4% | 9% | 11% |

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

(b) Less than \$0.01 per share.

(c) Reflects the expense ratio excluding any waivers and/or reimbursements.

Note 1. Organization

The Auxier Focus 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 currently offers three classes of shares: Investor Shares, A Shares and Institutional Shares. A Shares are offered at net asset value plus a maximum sales charge of 5.75%. A Shares are also subject to contingent deferred sales charge ("CDSC") of 1.00% on purchases without an initial sales charge and redeemed less than one year after they are purchased. Investor Shares and Institutional Shares are not subject to a sales charge. Investor Shares, A Shares and Institutional Shares commenced operations on July 9, 1999, July 8, 2005 and May 9, 2012, respectively. The Fund's investment objective is to provide long-term 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. Debt securities may be valued at prices supplied by a fund's pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics such as rating, interest rate and maturity. 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 Adviser, as defined in Note 4, 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 Adviser 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. Adviser 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.

Foreign Currency Translations – Foreign currency amounts are translated into U.S. dollars as follows: (1) assets and liabilities at the rate of exchange at the end of the respective period; and (2) purchases and sales of securities and income and expenses at the rate of exchange prevailing on the dates of such transactions. The portion of the results of operations arising from changes in the exchange rates and the portion due to fluctuations arising from changes in the market prices of securities are not isolated. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

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.

The Fund's class-specific expenses are charged to the operations of that class of shares. Income and expenses (other than expenses attributable to a specific class) and realized and unrealized gains or losses on investments are allocated to each class of shares based on the class' respective net assets to the total net assets of the Fund.

Redemption Fees – A shareholder who redeems shares within 180 days of purchase will incur a redemption fee of 2.00% of the current net asset value of shares redeemed, subject to certain limitations. The fee is charged for the benefit of the remaining shareholders and will be paid to the Fund to help offset transaction costs. The fee is accounted for as an addition to paid-in capital. The Fund reserves the right to modify the terms of or terminate the fee at any time. There are limited exceptions to the imposition of the redemption fee.

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. Cash – Concentration in Uninsured Account

For cash management purposes, the Fund may concentrate cash with the Fund’s custodian. This typically results in cash balances exceeding the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. As of June 30, 2017, the Fund had \$10,974,343 at MUFG Union Bank, N.A. that exceeded the FDIC insurance limit.

Note 4. Fees and Expenses

Investment Adviser – Auxier Asset Management LLC (the “Adviser”) is the investment adviser to the Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee, payable monthly, from the Fund at an annual rate of 0.80% of the Fund’s average daily net assets. Prior to November 1, 2016, the Adviser received an advisory fee from the Fund at an annual rate of 1.00% of the Fund’s average daily assets.

Distribution – Foreside Fund Services, LLC serves as the Fund’s distributor (the “Distributor”). The Distributor is not affiliated with the Adviser or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) (“Atlantic”) or their affiliates. The Fund has adopted a Distribution Plan (the “Plan”) for A Shares of the Fund in accordance with Rule 12b-1 of the Act. Under the Plan, the Fund pays the Distributor and/or any other entity as authorized by the Board a fee of up to 0.25% of the average daily net assets of A Shares. The Distributor has no role in determining the investment policies or which securities are to be purchased or sold by the Trust or its Funds.

For the year ended June 30, 2017, there were no front-end sales charges assessed on the sale of A Shares and no contingent deferred sales charges were assessed on the sale of A Shares.

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. 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 5. Expense Reimbursements and Fees Waived

The Adviser has contractually agreed to waive a portion of its fees and/or reimburse expenses through October 31, 2017, to the extent necessary to maintain the total operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend expenses on short sales, and extraordinary expenses) at 0.98%, 1.25% and 0.80% of average daily net assets of the Investor Shares, A Shares and Institutional Shares, respectively. These contractual waivers may only be raised or eliminated with consent of the Board. Prior to November 1, 2016, the expense cap was 1.14%, 1.25% and 1.00% of average daily assets of the Investor Shares, A Shares and Institutional Shares, respectively. Other fund service providers have voluntarily agreed to waive a portion of their fees. These voluntary reductions may be reduced or eliminated at any time. For the year ended June 30, 2017, fees waived and expenses reimbursed were as follows:

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

| <u>Investment Adviser Fees Waived</u> | <u>Investment Adviser Expenses Reimbursed</u> | <u>Other Waivers</u> | <u>Total Fees Waived</u> |
|---------------------------------------|---|----------------------|--------------------------|
| \$ 258,679 | \$ 94,817 | \$ 64,882 | \$ 418,378 |

The Fund may repay the Adviser for fees waived and expenses reimbursed pursuant to the expense cap if such payment is made within three years of the fee waiver or expense reimbursement and the resulting expenses do not exceed the lesser of (i) the then-current expense cap, or (ii) the expense cap in place at the time the fees/expenses were waived/reimbursed. As of June 30, 2017, \$218,876 is subject to recapture by the Adviser. Other Waivers are not eligible for recoupment.

Note 6. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments, during the year ended June 30, 2017 were \$11,499,503 and \$30,973,301, respectively.

Note 7. Federal Income Tax

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

| | <u>2017</u> | <u>2016</u> |
|------------------------|---------------------|----------------------|
| Ordinary Income | \$ 3,396,865 | \$ 2,683,607 |
| Long-Term Capital Gain | 3,410,098 | 11,388,179 |
| | <u>\$ 6,806,963</u> | <u>\$ 14,071,786</u> |

As of June 30, 2017, distributable earnings (accumulated loss) on a tax basis were as follows:

| | |
|-------------------------------|-----------------------|
| Undistributed Ordinary Income | \$ 1,507,104 |
| Undistributed Long-Term Gain | 9,528,987 |
| Unrealized Appreciation | 98,330,482 |
| Total | <u>\$ 109,366,573</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.

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 June 30, 2017. The following reclassification was the result of equity return of capital sold and has no impact on the net assets of the Fund.

| | |
|--|------------|
| Accumulated Net Investment Income (Loss) | \$ (5,560) |
| Undistributed Net Realized Gain (Loss) | 5,560 |

Note 8. 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 9. 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.

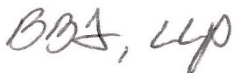
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of Forum Funds
and the Shareholders of Auxier Focus Fund

We have audited the accompanying statement of assets and liabilities of Auxier Focus Fund, a series of shares of beneficial interest in Forum Funds, (the "Fund") including the schedule of investments, as of June 30, 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 and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2017 by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Auxier Focus Fund as of June 30, 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.



BBD, LLP

Philadelphia, Pennsylvania
August 21, 2017

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 (877) 328-9437, on the Fund’s website at www.auxierasset.com 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 (877) 328-9437 and on the SEC’s website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. These filings are available, without charge and upon request on the SEC’s website at www.sec.gov or may be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments on certain classes, redemption fees, exchange fees, and CDSC fees, and (2) ongoing costs, including management fees, 12b-1 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 under each share class 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 under each share class 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 and do not reflect any transactional costs, such as sales charges (loads) on purchase payments on certain classes, redemption fees, exchange fees, and CDSC fees. 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. In addition, if these transactional costs were included, your costs would have been higher.

| | Beginning Account Value January 1, 2017 | Ending Account Value June 30, 2017 | Expenses Paid During Period* | Annualized Expense Ratio* |
|--|---|--|------------------------------------|---------------------------------|
| Investor Shares | | | | |
| Actual | \$ 1,000.00 | \$ 1,096.95 | \$ 5.10 | 0.98% |
| Hypothetical (5% return before expenses) | \$ 1,000.00 | \$ 1,019.93 | \$ 4.91 | 0.98% |
| A Shares | | | | |
| Actual | \$ 1,000.00 | \$ 1,095.07 | \$ 6.49 | 1.25% |
| Hypothetical (5% return before expenses) | \$ 1,000.00 | \$ 1,018.60 | \$ 6.26 | 1.25% |

AUXIER FOCUS FUND
ADDITIONAL INFORMATION (Unaudited)
JUNE 30, 2017

| | Beginning Account Value January 1, 2017 | Ending Account Value June 30, 2017 | Expenses Paid During Period* | Annualized Expense Ratio* |
|--|--|---|---|--|
| Institutional Shares | | | | |
| Actual | \$ 1,000.00 | \$ 1,097.49 | \$ 4.16 | 0.80% |
| Hypothetical (5% return before expenses) | \$ 1,000.00 | \$ 1,020.83 | \$ 4.01 | 0.80% |

* 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.

Federal Tax Status of Dividends Declared during the Fiscal Year

For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Fund designates 100.00% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 100.00% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Code. The Fund also designates 1.07% of its income dividends as qualified interest income exempt from U.S. tax for foreign shareholders (QII) and 16.98% of its income dividends as qualified short-term gain 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. Mr. Keffer is considered an Interested Trustee due to his affiliation with Atlantic. The Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (877) 328-9437.

| 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 ¹ Overseen by Trustee | Other Directorships Held by Trustee |
|---------------------------------|---|---------------------------------------|--|---|--|
| Independent Trustees | | | | | |
| J. Michael Parish Born: 1943 | Chairman of the Board; Trustee; Chairman, Nominating Committee and Qualified Legal Compliance Committee | Since 1989 (Chairman since 2004) | Retired since 2003; formerly, Partner, Wolf, Block, Schorr and Solis-Cohen, LLP (law firm) 2002-2003; Partner, Thelen Reid & Priest LLP (law firm) 1995-2002. | 23 | None |
| Costas Azariadis Born: 1943 | Trustee | Since 1989 | Professor of Economics, Washington University since 2006. | 23 | None |
| James C. Cheng Born: 1942 | Trustee; Chairman, Audit Committee | Since 1989 | President, Technology Marketing Associates (marketing company for small- and medium-sized businesses in New England) since 1991. | 23 | None |
| David Tucker Born: 1958 | Trustee; Vice Chairman | Since 2011 (Vice Chairman since 2015) | Director, Blue Sky Experience (a charitable endeavor) since 2008; Senior Vice President & General Counsel, American Century Companies (an investment management firm) 1998-2008. | 46 | Trustee, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds |

¹The Fund Complex includes the Trust, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds and is overseen by different Boards of Trustees.

AUXIER FOCUS FUND
ADDITIONAL INFORMATION (Unaudited)
JUNE 30, 2017

| 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 Complex¹ Overseen by Trustee | Other Directorships Held by Trustee |
|--|---|------------------------------|---|---|--|
| Interested Trustee John Y. Keffer ² Born: 1942 | Trustee; Vice Chairman | Since 1989 | Chairman, Atlantic since 2008; President, Forum Investment Advisors, LLC since 2011; President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company chartered in the State of Maine) since 1997. | 46 | Director, Wintergreen Fund, Inc.; Trustee, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds |
| 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 |

¹The Fund Complex includes the Trust, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds and is overseen by different Boards of Trustees.

²Atlantic is a subsidiary of Forum Holdings Corp. I, a Delaware corporation that is wholly owned by Mr. Keffer.

Auxier Focus Fund

FOR MORE INFORMATION

P.O. Box 588
Portland, Maine 04112
(877) 3AUXIER
(877) 328-9437

INVESTMENT ADVISER

Auxier Asset Management LLC
15668 NE Eilers Road
Aurora, Oregon 97002

TRANSFER AGENT

Atlantic Fund Services
P.O. Box 588
Portland, Maine 04112
www.atlanticfundservices.com

DISTRIBUTOR

Foreside Fund Services, LLC
Three Canal Plaza, Suite 100
Portland, Maine 04101
www.foreside.com

This 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.