

ABSOLUTE FUNDS

ANNUAL REPORT

MARCH 31, 2018

ABSOLUTE
INVESTMENT ADVISERS

The views in this report were those of Absolute Investment Advisers LLC (“AIA” and “Absolute”), the investment adviser to the Absolute Strategies Fund, Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund (each a “Fund” and collectively the “Funds”) as of March 31, 2018, and may not reflect their views on the date this report is first published or any time thereafter. These views are intended to assist shareholders in understanding their investment in the Funds and do not constitute investment advice. None of the information presented should be construed as an offer to sell or recommendation of any security mentioned herein.

The Absolute Strategies Fund utilizes multi-manager strategies with multiple sub-advisers, they may be exposed to varying forms of risk. These risks include, but are not limited to, general market risk, multi-manager risk, focused portfolio risk, small company risk, foreign risk, interest rate risk, credit risk, prepayment risk, IPO risk, liquidity risk, high turnover risk, leverage risk, derivatives risk and cash and cash equivalents holdings risk. For a complete description of the Funds’ principal investment risks, please refer to each Fund’s prospectus.

Beta is a measure of an asset’s sensitivity to broad market moves, as measured for instance by the S&P 500® Index. A fund with a realized beta of 0.5 with respect to the S&P 500® Index infers that about 50% of the fund’s returns were explained by the performance of the index (the rest of the performance was independent of the index). The HFR Indices are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. One cannot invest directly in an index.

Absolute Strategies Fund, Absolute Funds, and Absolute Investment Advisers are registered service marks. Other marks referred to herein are the trademarks, service marks or registered trademarks of their respective owners.

ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2018

Dear Shareholder,

We are pleased to present the Annual Report for the Absolute Strategies Fund (the "Fund") for the year ended March 31, 2018.

Capital preservation/downside protection through unique risk and return positioning that helps diversify traditional portfolios are important themes of the Fund. Achieving these over the course of an investment cycle often means constructing a portfolio of investments that looks very different from other investment funds, including alternative ones. It requires being defensive at times when others are overly aggressive. It requires looking for value in areas of the market that are over-looked or unloved by other investors. Achieving these goals also means that the Fund's performance is likely to go through periods of under-performance as well as out-performance versus other strategies. We believe that over time the uniqueness of the strategy creates significant non-correlation and diversification characteristics. The markets provided favorable conditions for the Fund during the volatile months of February and March of 2018. For those two months the Fund (Institutional Shares) returned 3.46% vs. -3.38% and -6.13% for the HRFX Global Hedge Fund Index and the S&P 500 Index respectively. For much of the remainder of the Fund's fiscal year, however, extreme low levels of volatility hindered our ability to generate performance and the Fund (Institutional Shares) returned -4.45% over the 12 months ended March 31, 2018. By comparison, the HRFX Global Hedge Fund Index returned 3.20% and the S&P 500 Index returned 13.99%.

We believe that recent dynamics have resulted in a market that is narrow and highly inefficient. Since the introduction of asset purchases by central banks (also known as quantitative easing), financial assets have become increasingly expensive and highly correlated; price-discovery and volatility are artificially suppressed. We believe that constructing a portfolio of various industry-favored hedge fund strategies will not achieve the risk-adjusted results we desire. Traditional assets classes and most hedge fund strategies have become a correlated beta trade that acts in unison with the overall equity markets. We believe there is little, if any, potential for a diversified portfolio of typical hedge fund strategies to produce anything other than the returns of a traditional portfolio. In effect, the entire hedge fund universe has become as crowded as the ETF universe, and both are taking nearly the same risks that also require abnormally low levels of volatility. A repricing of financial markets caused by artificially suppressed interest rates would very likely result in large losses across equities, fixed income and many alternative investments. To produce alpha within such an environment would require an investment strategy to do something very different including, at times, to take the other side. While this approach has been frustrating over the past few years, we believe the eventual unwind of correlated asset risks creates an opportunity to set up a portfolio that can generate significant outperformance. We believe markets are setting up for an extensive long/short opportunity that takes advantage of confusion and continuous volatility. In fact, it may have already begun. Extended periods of extreme low levels of volatility are an historical anomaly. We believe the long-awaited return to normal levels of market volatility will provide a much improved environment for the Fund's performance while creating challenges for funds geared toward passive market beta.

During the year, our discipline and process was preserved and the Fund maintained a balance of long and short exposures. We continue to allocate capital based on opportunities to be long and short. The challenge has come from a market cycle that has been skewed by central bank intrusions. In this regard, as prudent investors who view markets through a lens of capital at risk, we must take into account what we believe are extreme levels of high valuations, the proliferation of momentum/trend investing, and artificially suppressed volatility when constructing the Fund's portfolio. All of these have been coiled against us in both time and price. From a long/short perspective, we tend to favor underpriced or out of favor long ideas vs a short portfolio of overpriced or crowded areas. Many of these positions are simply relative-value relationships that revert to the mean as assets begin to seek value once areas of perfection eventually turn out to be *illusory*. Volatility is used to help monetize these relationships over time. Our performance has been directly impacted by a lack of volatility, and an extreme turn of the market cycle that has punished out-of-favor longs while rewarding crowded, over-valued indexing. This has created a large spread between our long and short positions that has pushed our overall portfolio to opportunity levels we have not seen since 2009. We are now currently positioned for extensive mean reversion opportunities that have been stretched over several

ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2018

years and have recently reached historic levels. Details of these opportunities along with recent performance are outlined below.

Value vs Growth. One major side effect from all of the central bank activity and momentum chasing is that value investing is currently stuck in one of the worst stretches on record. Value stocks have significantly lagged growth stocks over the past year, compounding a gap that has persisted since the end of the financial crisis almost ten years ago. Growth has outperformed value by 14% over the past 12 months and by approximately 70% since 2007. This has caused the bulk of our poor returns this year. However, the last time value underperformed growth to this degree was in 1999. During the next three years, value outperformed growth by more than 100%. We believe this is a significant market-neutral, risk/reward opportunity. Approximately 40-45% of our portfolio is positioned for this mean reversion idea of long value, short growth/indices.

Short Equity. Market indices are trading at valuation levels only seen near 1929 and 2000 peaks. The median price/sales for the S&P 500 is over 2.5x, or nearly 50% higher than the prior peak in 2007. The Russell 2000 Index trades for a P/E near 100. The Nasdaq Composite P/E is over 50. While having a net short equity allocation has had a negative impact on Fund performance, we believe many securities in various global markets and sectors are at risk of significant repricing, some upwards of 50% or more. Approximately 20% of the portfolio is currently positioned net short equity securities.

Convertible Arbitrage. Convertible arbitrage is one of few areas of the financial markets that is not flooded with excess capital and has provided modest returns. Hedged convertible securities currently offer attractive return and risk characteristics relative to most other areas of the bond market. This strategy also offers a relatively steady return profile to diversify away from other areas of our portfolio. Approximately 20% of the portfolio is allocated to convertible arbitrage.

Energy. Energy is another area that is seeing significant divergence as compared to the overall market. The energy sector is close to its lowest weighting in the S&P 500 on record of only 4-5%; this was last seen near the 2000 bubble peak. Oil services companies recently traded near 2009 financial crisis lows. Relative underperformance of energy year to date versus the S&P 500 is -25%, and this has contributed to negative performance. However, following the last low weighting in the S&P in 2000, energy companies outperformed the S&P by over 50% during the next three years and over 150% during the next six years. Approximately 10-12% of our portfolio is positioned long energy vs short market indices.

Commodities. Other commodities are also at an extreme low vs overall equity market indices. The CRB Commodity Index has underperformed the S&P 500 by 40% over the last few years, a deficit nearly identical to that during the late 1990s. The ratio of commodities/S&P 500 is also on par with the early 1970s, a period that preceded significant commodity inflation. Both time periods saw commodities outperform the S&P 500 by over 100% during the following three years. A more modest 5-7% of our portfolio is targeted for long commodity-sensitive securities vs market indices.

Volatility. Up until very recently, volatility has never been more compressed than it is today. The US equity market recently set a record for the number of days without a 3% dip in prices. Market players across financial markets are now using volatility as an input for risk taking. This is most certainly the case with risk parity strategies, but institutions and retail investors are also using short volatility trading to generate income or excess yield. This is very similar to the idea of selling credit default swaps (selling insurance) during the housing bubble which then led to the financial crisis. It is estimated that risk parity, quants and Commodity Trading Adviser (CTA) strategies amount to \$1 trillion in implicit short volatility strategies. Additionally, tens of billions are being bet directly on short volatility through ETFs. Volatility has never been more suppressed and, as seen in recent months, can return quickly. We believe our overall portfolio is set up to benefit from an increase in volatility and should be able to capitalize on large spikes in market movements both long and short.

In summary, many of the Fund's long securities don't have a big story or theme attached to them and may not be a major part of an index. The Fund's short securities may be expensive and/or exhibiting low growth with significant economic

ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2018

sensitivity. Equity index securities are also used on the short side to create relative-value arbitrage opportunities versus Fund long securities. Sub-adviser strategies based on long equity exposure were the Fund's top performers over the last year with the exception of energy related securities, which provided negative performance. Convertible arbitrage also performed well during the period. This is notable because the strategy typically exhibits low sensitivity to equity markets. Strategies that included short exposure were the largest detractors. Shorting has been particularly difficult as few things seemed to have gone down in price regardless of how poorly a company or group of companies performed. The Fund's short exposure remains flexible and has varied over the past year as large spikes in volatility have offered opportunities to monetize short term gains. During periods of low volatility the Fund has maintained a large amount of short exposure due to historically high valuations and weak fundamentals (see below). The timing is uncertain but we believe the payoff in short opportunities could be significant. Long periods of low volatility and high valuations have historically given way to periods of high volatility, leading to market valuations reverting to the mean.

We believe markets move in cycles over time. Occasionally cycles reach extremes, which has actually been a common occurrence over the past 20 years. Additionally, some markets may be nearing the end of an extreme bull cycle while others may be ending an extreme bear cycle. It is very difficult to know the timing of when a market cycle turns, and patience can be especially tested when both long and short positions are fighting the last trend.

In late 2008, it seemed as if the market would never stop going down. Price-insensitive sellers dominated the market. Yet, we removed the bulk of our shorts and increased our net long position to the largest ever at the time. We were early, but the opportunity was very large. Today, we see the inverse of that cycle. The market seems as if it will never go down and price-insensitive buyers are dominating the market. Again, we may be early but the opportunity warrants our positioning.

Comment on recent market volatility and positioning:

In a prior commentary, we stressed that much of the distortions in asset prices were being leveraged further by large momentum players betting on short volatility, which could contribute a spark for an eventual market turbulence and we were well positioned for this turbulence in early 2018:

"We have witnessed historic financial market intrusions by central banks that has created extreme distortions in asset prices and caused volatility to collapse. A lack of volatility has led risk-parity strategies, quant funds and momentum players to bet further on these extremes. We are even witnessing a massive bet on "short volatility" which is essentially a replay of the "selling of insurance" gravy train that led up to the financial crisis. Is this a permanent new paradigm? Is it really different this time? Those questions have been repeated throughout history and the predictions have always proved incorrect."

We continue to remind investors of what we see as extreme market risks in our dialogue, and it should, at a minimum, serve as a warning for what could eventually materialize into a much larger problem. It is hard to tell exactly where we go from here but we feel certain that downside risks are as great as anything we can analyze historically. At this time, we are maintaining our positioning. Should markets experience a large drawdown, there may be a short term opportunity to reduce some of our net short exposure. Option positions have also been utilized opportunistically for

ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2018

both upside and downside tail risk. In effect, the Fund may capitalize on either significant spikes up or down in market indices.

The volatility shock of February 2018 should serve as a glimpse of what we believe is likely to come in the future. Just as the sub-prime and CDS crisis, it may not happen all at once. Sometimes a slower progression with large intermediate swings in asset prices can hurt just the same as an undiversified portfolio erodes over time.

Sincerely,



Jay Compson
Portfolio Manager
Absolute Investment Advisers LLC

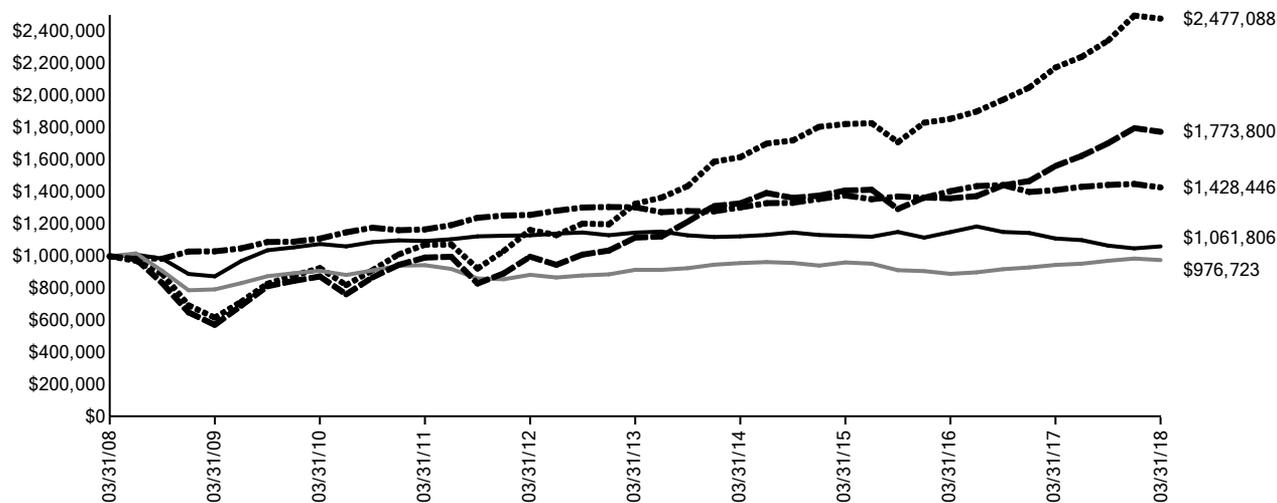
ABSOLUTE STRATEGIES FUND

PERFORMANCE CHART AND ANALYSIS (Unaudited)

MARCH 31, 2018

The following charts reflect the change in the value of a hypothetical \$1,000,000 investment in Institutional Shares and a \$250,000 investment in R Shares, including reinvested dividends and distributions, in Absolute Strategies Fund (the "Fund") compared with the performance of the benchmarks, S&P 500 Index ("S&P 500"), Bloomberg Barclays U.S. Aggregate Bond Index ("Barclays Index"), the HFRX Global Hedge Fund Index ("HFRX") and the MSCI World Index ("MSCI World"), over the past ten fiscal years. The S&P 500 is a broad-based, measurement of the U.S. stock market based on the performance of 500 widely held large capitalization common stocks. The Barclays Index is a broad based measurement of the U.S. dollar-denominated, investment-grade, fixed-rate, SEC registered taxable bond market. The HFRX is a broad-based measurement of the performance of the hedge fund universe; it is comprised of eight strategies - convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset-weighted based on the distribution of assets in the hedge fund industry. The MSCI World measures the performance of a diverse range of 24 developed countries' stock markets including the United States and Canada, and countries in Europe, the Middle East; Asia and the Pacific. The total return of the indices include the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the indices do not include expenses. The Fund is professionally managed, while the indices are unmanaged and are not available for investment.

**Comparison of Change in Value of a \$1,000,000 Investment
Absolute Strategies Fund - Institutional Shares vs. S&P 500 Index, Bloomberg Barclays U.S. Aggregate Bond Index,
HFRX Global Hedge Fund Index and MSCI World Index**



— Institutional Shares S&P 500 Index - - - - Bloomberg Barclays U.S. Aggregate Bond Index — HFRX Global Hedge Fund Index - - - - MSCI World Index

Average Annual Total Returns

Periods Ended March 31, 2018

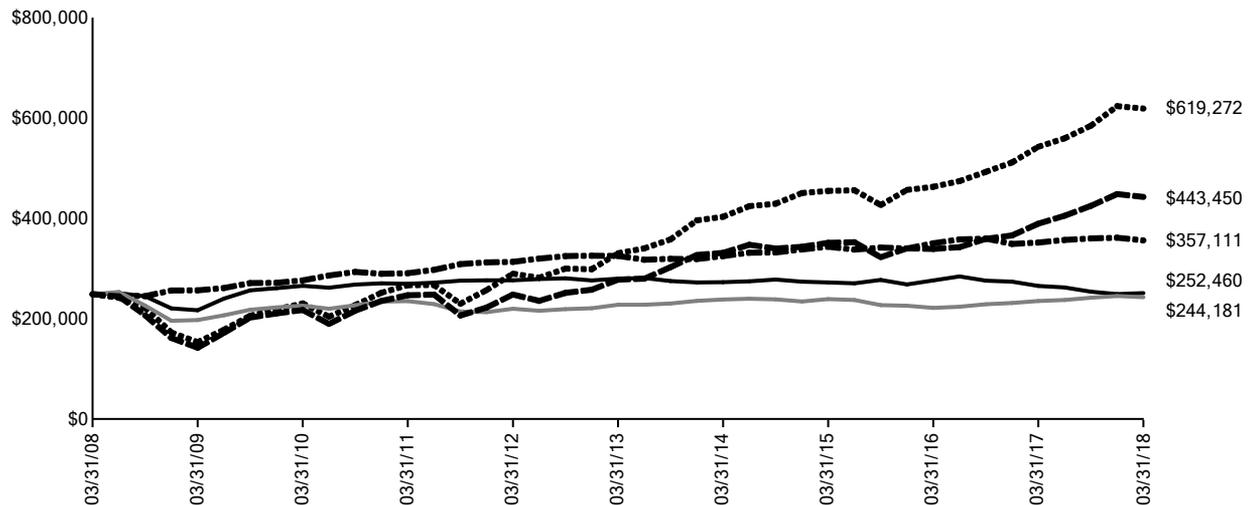
	One Year	Five Year	Ten Year
Absolute Strategies Fund - Institutional Shares	-4.45%	-1.54%	0.60%
S&P 500 Index	13.99%	13.31%	9.49%
Bloomberg Barclays U.S. Aggregate Bond Index	1.20%	1.82%	3.63%
HFRX Global Hedge Fund Index	3.20%	1.29%	-0.24%
MSCI World Index	13.59%	9.70%	5.90%

ABSOLUTE STRATEGIES FUND

PERFORMANCE CHART AND ANALYSIS (Unaudited)

MARCH 31, 2018

**Comparison of Change in Value of a \$250,000 Investment
Absolute Strategies Fund - R Shares vs. S&P 500 Index, Bloomberg Barclays U.S. Aggregate Bond Index,
HFRX Global Hedge Fund Index and MSCI World Index**



— R Shares S&P 500 Index - - - - Bloomberg Barclays U.S. Aggregate Bond Index — HFRX Global Hedge Fund Index - . - . MSCI World Index

Average Annual Total Returns

Periods Ended March 31, 2018

	One Year	Five Year	Ten Year
Absolute Strategies Fund - R Shares	-5.30%	-2.12%	0.10%
S&P 500 Index	13.99%	13.31%	9.49%
Bloomberg Barclays U.S. Aggregate Bond Index	1.20%	1.82%	3.63%
HFRX Global Hedge Fund Index	3.20%	1.29%	-0.24%
MSCI World Index	13.59%	9.70%	5.90%

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. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Institutional Shares and R Shares are 2.94% and 3.56%, respectively. Excluding the effect of expenses attributable to dividends and interest on short sales and acquired fund fees and expenses, the Fund's total annual operating expense ratios for Institutional Shares and R Shares would be 1.94% and 2.51%, respectively. However, the Fund's adviser 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 all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses) to 1.99% and 2.24% for Institutional Shares and R Shares, respectively, through August 1, 2019 (the "Expense Cap"). The adviser may be reimbursed by the Fund for fees waived and expenses reimbursed by the adviser 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 to 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. During the period, certain fees were waived and/or expenses reimbursed; otherwise, returns would have been lower. To the extent that the Fund invests in another fund sponsored by the Fund's adviser or its affiliates, the adviser may waive certain fees and expenses. 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. For the most recent month-end performance, please call (888) 992-2765.

ABSOLUTE CAPITAL OPPORTUNITIES FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2018

Dear Shareholder,

For the year ending March 31, 2018, the Absolute Capital Opportunities Fund (the "Fund") returned 14.13%. By comparison, the HFRX Equity Hedge Index returned 8.35%.

Over the past year, the Fund has been positioned defensively but has also owned broad market equity options, mostly on the S&P 500 Index, that should benefit from increased stock market volatility regardless of direction. Much of the Fund's return was generated from these options in the first quarter of 2018 when market volatility returned. The options also detracted from performance in parts of 2017 when volatility was muted.

Kovitz Investment Group Partners, LLC ("Kovitz"), the Fund's subadviser, utilizes a core equity long-short portfolio with opportunistic tail hedging, both upside and downside. This hedging allowed the Fund to generate a solid return, despite maintaining a value bias on the long side, in an environment where value under-performed growth by a significant margin (as measured by Russell 3000 Value and Growth Indices).

The Fund continues to be positioned much as it was in the first quarter of 2018. The Fund continues to be well hedged toward the downside. Kovitz believes the level of defensive positioning is prudent given the heightened starting valuations, low but potentially rising interest rates, and the potential (not probable) for geopolitical missteps. It is worth noting that the Fund does own a portfolio of competitively advantaged businesses generally trading at 12-16 times Kovitz' estimation of normalized earnings, and call options designed to benefit from continued upside volatility or a generally rising stock market.

We believe the Fund is positioned well for a variety of market environments, particularly if equity markets remain volatile.

Sincerely,

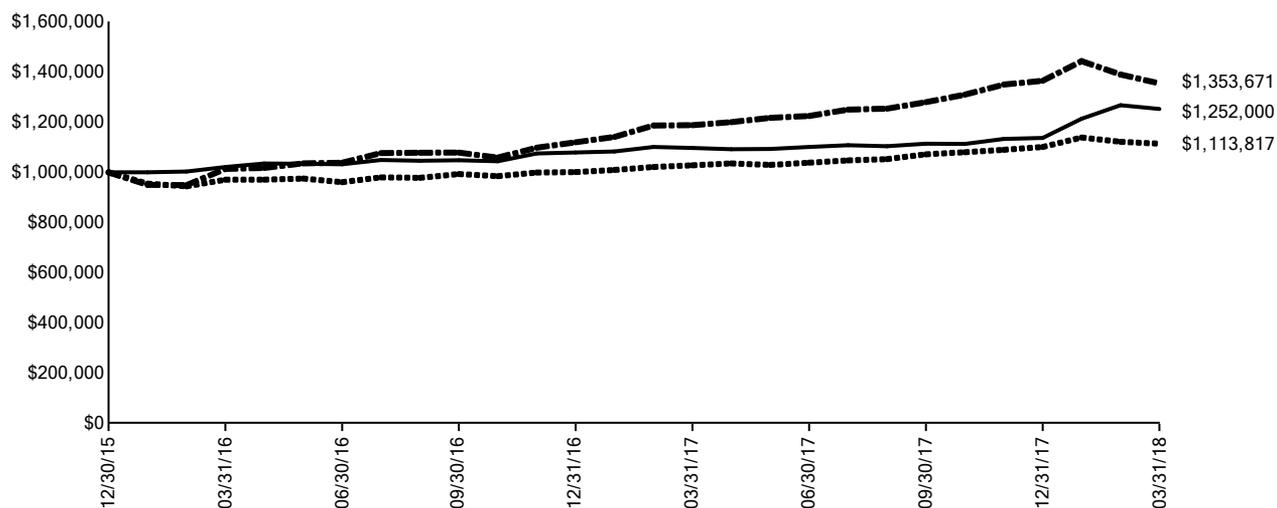


Jay Compson
Portfolio Manager
Absolute Investment Advisers LLC

ABSOLUTE CAPITAL OPPORTUNITIES FUND
PERFORMANCE CHART AND ANALYSIS (Unaudited)
MARCH 31, 2018

The following chart reflects the change in the value of a hypothetical \$1,000,000 investment, including reinvested dividends and distributions, in the Absolute Capital Opportunities Fund (the "Fund") compared with the performance of the benchmarks, the HFRX Equity Hedge Index ("HFRX Equity") and the S&P 500 Index ("S&P 500"), since inception. HFRX Equity measures the performance of strategies that maintain positions both long and short in primarily equity and equity derivative securities. The S&P 500 is a broad-based measurement of the U.S. stock market based on the performance of 500 widely held large capitalization common stocks. The total return of the indices 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 indices do not include expenses. The Fund is professionally managed, while the indices are unmanaged and are not available for investment.

**Comparison of Change in Value of a \$1,000,000 Investment
 Absolute Capital Opportunities Fund vs. HFRX Equity Hedge Index
 and S&P 500 Index**



— Absolute Capital Opportunities Fund HFRX Equity Hedge Index - - - S&P 500 Index

Average Annual Total Returns Periods Ended March 31, 2018	One Year	Since Inception 12/30/15
Absolute Capital Opportunities Fund	14.13%	10.49%
HFRX Equity Hedge Index	8.35%	4.82%
S&P 500 Index	13.99%	13.91%

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 3.51%. Excluding the effect of expenses attributable to dividends and interest on short sales, the Fund's total annual operating expense ratio would be 2.81%. However, the Fund's adviser 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 all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses) to 1.75%, through August 1, 2019 (the "Expense Cap"). The adviser may be reimbursed by the Fund for fees waived and expenses reimbursed by the adviser 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 to 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. During the period, certain fees were waived and/or expenses reimbursed; otherwise, returns would have been lower. 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. For the most recent month-end performance, please call (888) 992-2765.

ABSOLUTE CONVERTIBLE ARBITRAGE FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2018

Dear Shareholder,

For the period ending March 31, 2018, the Absolute Convertible Arbitrage Fund (the “Fund”) returned 5.94%. By comparison, the HFRX Fixed Income Convertible Arbitrage Index returned 4.71%.

The Fund’s subadviser, Mohican Financial Management, LLC (“Mohican”), executes a convertible arbitrage strategy with a particular focus on small and mid-cap issues. Even though convertible bonds are hybrid securities, they are fixed income securities with some exposure to interest rates. Interest rates rose steadily during the period which put downward pressure on valuations.

Performance can be classified as “slow and steady” over the past year. Returns in each month were positive and the Fund exhibited extremely low volatility. Sensitivity to broad equity and fixed income markets has also been very low.

Mohican believes that the convertible asset class today looks healthy in terms of credit quality, short durations, security profile and liquidity. There were no convertible defaults in the first quarter following a year where the default rate was less than 1%. The average duration for the asset class is about 3 years, which we believe provides investors significant protection against interest rate fluctuations. Despite the recent drawdowns in equities, stock prices remain overvalued which means the convertible market continues to offer ample supply of “in-the-money”, heavier hedged, volatility arbitrage opportunities, and we expect liquidity to steadily improve.

Mohican also notes that convertible new issuance in the first quarter of 2018 was strong. 32 deals were priced which annualizes to 128 – well in excess of the 104 deals priced in 2017. Importantly, 30 of the 32 deals were issued by small and mid- cap companies and 31 of the 32 deals were not rated by the rating agencies. Mohican believes non-rated, small and mid-cap convertibles offer a consistent source of inefficiencies and value in the convertibles marketplace where returns can be extracted.

We believe the Fund is positioned for a variety of market environments, particularly if credit markets remain volatile.

Sincerely,

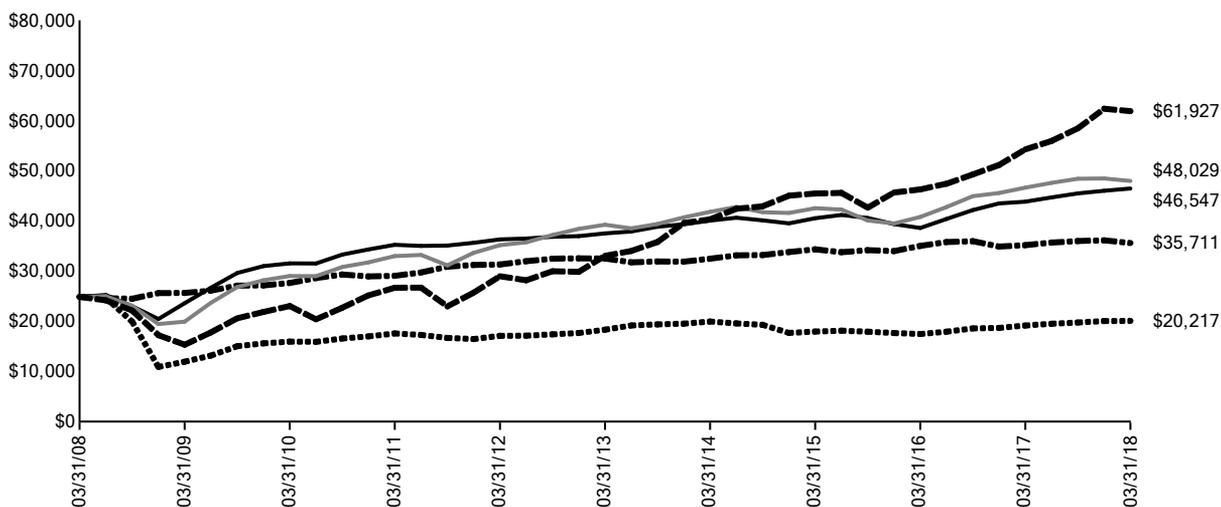


Jay Compson
Portfolio Manager
Absolute Investment Advisers LLC

ABSOLUTE CONVERTIBLE ARBITRAGE FUND
PERFORMANCE CHART AND ANALYSIS (Unaudited)
MARCH 31, 2018

The following chart reflects the change in the value of a hypothetical \$25,000 investment, including reinvested dividends and distributions, in Absolute Convertible Arbitrage Fund (the "Fund") compared with the performance of the benchmarks, HFRX Fixed Income Convertible Arbitrage Index ("HFRX Fixed Income"), Bloomberg Barclays U.S. Aggregate Bond Index ("Barclays Index"), iBoxx High Yield Index ("iBoxx Index") and the S&P 500 Index ("S&P 500"), over the past ten fiscal years. The HFRX Fixed Income measures the performance of hedge fund strategies that are predicated on realizing of a spread between related instruments at least one of which is a convertible fixed income instrument. The iBoxx Index consists of liquid USD high yield bonds, selected to provide a balanced representation of the broad USD high yield corporate bond universe. The S&P 500 is a broad-based measurement of the U.S. stock market based on the performance of 500 widely held large capitalization common stocks. The Barclays Index is a broad based measurement of the U.S. dollar-denominated, investment-grade, fixed-rate, SEC registered taxable bond market. The total return of the indices include the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the indices do not include expenses. The Fund is professionally managed, while the indices are unmanaged and are not available for investment.

Comparison of Change in Value of a \$25,000 Investment
Absolute Convertible Arbitrage Fund vs. HFRX Fixed Income Convertible Arbitrage Index, Bloomberg Barclays U.S. Aggregate Bond Index, iBoxx High Yield Index and S&P 500 Index



— Institutional Shares HFRX Fixed Income Convertible Arbitrage Index - - - Bloomberg Barclays U.S. Aggregate Bond Index — iBoxx High Yield Index - - - S&P 500 Index

Average Annual Total Returns

Periods Ended March 31, 2018

	One Year	Five Year	Ten Year
Absolute Convertible Arbitrage Fund - Institutional Shares	5.94%	4.35%	6.41%
HFRX Fixed Income Convertible Arbitrage Index	4.71%	1.82%	-2.10%
Bloomberg Barclays U.S. Aggregate Bond Index	1.20%	1.82%	3.63%
iBoxx High Yield Index	2.83%	4.07%	6.75%
S&P 500 Index	13.99%	13.31%	9.49%

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. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 2.83%. Excluding the effect of expenses attributable to dividends and interest on short sales, the Fund's total annual operating expense ratio would be 2.58%. However, the Fund's adviser 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 all taxes, interest, portfolio transaction expenses, dividend and interest on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses) to 1.60%, through August 1, 2019 (the "Expense Cap"). The adviser may be reimbursed by the Fund for fees waived and expenses reimbursed by the adviser 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 to 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. During the period, certain fees were waived and/or expenses reimbursed; otherwise, returns would have been lower. The performance table and graph do not reflect the

ABSOLUTE CONVERTIBLE ARBITRAGE FUND
PERFORMANCE CHART AND ANALYSIS (Unaudited)
MARCH 31, 2018

deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized. For the most recent month-end performance, please call (888) 992-2765.

In August 2017, a hedge fund managed by Mohican Financial Management LLC reorganized into the Fund. The Fund's performance for periods prior to the commencement of operations is that of the hedge fund and is based on calculations that are different from the standardized method of calculations adopted by the SEC. The performance of the hedge fund was calculated net of the hedge fund's fees and expenses. The performance of the hedge fund is not the performance of the Fund, has not been restated to reflect the fees, estimated expenses and fee waivers and/or expense limitations of the Fund, and is not necessarily indicative of the Fund's future performance. If the performance of the hedge fund had been restated to reflect the applicable fees and expenses of the Fund, the performance may have been lower. The hedge fund was not registered under the Investment Company Act of 1940 ("1940 Act") and was not subject to certain investment limitations, diversification requirements and other restrictions imposed by the 1940 Act and the Internal Revenue Code of 1986, which, if applicable, may have adversely affected its performance.

ABSOLUTE STRATEGIES FUND

PORTFOLIO HOLDINGS SUMMARY (Unaudited)

MARCH 31, 2018

Portfolio Breakdown (% of Net Assets)

Long Positions	
Common Stock	29.7%
Asset Backed Obligations	0.2%
Investment Companies	38.0%
Money Market Fund	24.3%
Purchased Options	0.4%
Short Positions	
Common Stock	(17.6)%
Investment Company	(1.4)%
Other Assets & Liabilities, Net *	26.4%
	100.0%

* Consists of deposits with the custodian and/or brokers for securities sold short, cash, foreign currency, prepaid expenses, receivables, payables and accrued liabilities. Deposits with the custodian and/or brokers for securities sold short represent 24.6% of net assets. See Note 2 of the accompanying Notes to Financial Statements.

Sector Breakdown	(% of Equity Holdings)	
	Long	Short
Consumer Discretionary	11.9%	31.5%
Consumer Staples	10.9%	13.8%
Energy	32.8%	0.0%
Financial	12.9%	23.9%
Healthcare	5.1%	0.0%
Industrial	8.9%	19.6%
Information Technology	1.9%	7.4%
Materials	11.5%	0.8%
Telecommunication Services	2.1%	3.0%
Utilities	2.0%	0.0%
	100.0%	100.0%

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2018

Shares	Security Description	Value
Long Positions - 92.6%		
Common Stock - 29.7%		
Consumer Discretionary - 3.6%		
7,000	Anheuser-Busch InBev SA/NV, ADR	\$ 769,580
20,000	CVS Health Corp.	1,244,200
39,630	Freshpet, Inc. ^{(a)(b)}	651,914
52,588	Green Plains Partners LP ^(a)	915,031
6,859	Lithia Motors, Inc., Class A ^(a)	689,467
106,698	Luby's, Inc. ^(b)	296,620
12,194	PetIQ, Inc. ^{(a)(b)}	324,360
14,600	The TJX Cos., Inc.	1,190,776
		<u>6,081,948</u>
Consumer Staples - 3.2%		
8,383	Calavo Growers, Inc. ^(a)	772,912
16,767	General Mills, Inc.	755,521
10,000	Nestle SA, ADR	790,500
31,247	Pilgrim's Pride Corp. ^{(a)(b)}	768,989
11,432	Post Holdings, Inc. ^{(a)(b)}	866,088
28,961	Sprouts Farmers Market, Inc. ^{(a)(b)}	679,715
12,194	Tyson Foods, Inc., Class A ^(a)	892,479
		<u>5,526,204</u>
Energy - 9.7%		
5,221	Andeavor	525,024
9,833	Antero Midstream GP LP	157,230
11,791	Antero Resources Corp. ^(b)	234,051
33,872	Cabot Oil & Gas Corp.	812,251
23,434	Centennial Resource Development, Inc., Class A ^(b)	430,014
18,270	Cheniere Energy, Inc. ^(b)	976,532
2,627	Cimarex Energy Co.	245,624
2,029	Concho Resources, Inc. ^(b)	305,019
10,562	Continental Resources, Inc./OK ^(b)	622,630
12,389	Devon Energy Corp.	393,846
5,070	Diamondback Energy, Inc. ^(b)	641,456
60,000	Enbridge, Inc.	1,888,200
17,991	Energy Transfer Partners LP	291,814
9,455	EOG Resources, Inc.	995,328
18,127	EQT Corp.	861,214
8,082	FTS International, Inc. ^(b)	148,628
9,566	Halliburton Co.	449,028
6,177	HollyFrontier Corp.	301,808
9,716	Keane Group, Inc. ^(b)	143,797
6,424	Marathon Petroleum Corp.	469,659
12,774	MPLX LP	422,053
6,347	ONEOK, Inc.	361,271
1,929	Phillips 66	185,030
1,750	Pioneer Natural Resources Co.	300,615
16,965	Plains GP Holdings, LP	368,989
13,980	ProPetro Holding Corp. ^(b)	222,142
11,681	RSP Permian, Inc. ^(b)	547,605
15,000	Schlumberger, Ltd.	971,700
29,190	Tallgrass Energy GP LP	555,194
13,401	Targa Resources Corp.	589,644
37,865	The Williams Cos., Inc.	941,324
20,860	WPX Energy, Inc. ^(b)	308,311
		<u>16,667,031</u>
Financial - 3.8%		
6,600	Berkshire Hathaway, Inc., Class B ^(b)	1,316,568
35,000	Brookfield Asset Management, Inc., Class A	1,365,000
20,000	Loews Corp.	994,600
25,000	The Bank of New York Mellon Corp.	1,288,250
3,000	The Howard Hughes Corp. ^(b)	417,390
16,000	WR Berkley Corp.	1,163,200
		<u>6,545,008</u>

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2018

Shares	Security Description	Value			
Healthcare - 1.5%					
45,000	Sanofi, ADR	\$ 1,803,600			
9,603	Zoetis, Inc. ^(a)	801,947			
		<u>2,605,547</u>			
Industrial - 2.7%					
6,432	Alamo Group, Inc.	706,877			
32,771	Briggs & Stratton Corp. ^(a)	701,627			
6,097	Deere & Co. ^(a)	946,986			
10,000	Expeditors International of Washington, Inc.	633,000			
6,402	John Bean Technologies Corp. ^(a)	725,987			
22,102	Trimble, Inc. ^{(a)(b)}	793,019			
		<u>4,507,496</u>			
Information Technology - 0.6%					
53,000	Conduent, Inc. ^(b)	987,920			
Materials - 3.4%					
21,000	Axalta Coating Systems, Ltd. ^(b)	633,990			
60,000	Cameco Corp.	545,400			
8,383	Compass Minerals International, Inc.	505,495			
8,383	Innophos Holdings, Inc.	337,080			
5,000	Monsanto Co.	583,450			
14,327	Nutrien, Ltd. ^(a)	677,094			
19,500	Royal Gold, Inc.	1,674,465			
8,534	US Silica Holdings, Inc.	217,788			
5,911	Westlake Chemical Corp.	657,008			
		<u>5,831,770</u>			
Telecommunication Services - 0.6%					
25,000	Liberty Global PLC, Class C ^(b)	760,750			
20,000	News Corp., Class A	316,000			
		<u>1,076,750</u>			
Utilities - 0.6%					
14,900	Dominion Energy, Inc.	1,004,707			
Total Common Stock (Cost \$44,295,545)		50,834,381			
Principal	Security Description	Rate	Maturity	Value	
Asset Backed Obligations - 0.2%					
\$	48,385	Adjustable Rate Mortgage Trust, Series 2005-12 2A1 ^(c)	3.74%	03/25/36	44,586
	35,424	Adjustable Rate Mortgage Trust, Series 2006-1 3A3 ^(c)	3.58	03/25/36	31,456
	22,655	Banc of America Funding Corp., Series 2006-E 2A1 ^(c)	3.70	06/20/36	22,192
	44,630	Banc of America Funding Corp., Series 2007-E 4A1 ^(c)	3.54	07/20/47	37,523
	65,788	CitiMortgage Alternative Loan Trust, Series 2006-A7 1A12	6.00	12/25/36	62,377
	25,202	CitiMortgage Alternative Loan Trust, Series 2007-A4 1A6	5.75	04/25/37	23,952
	28,238	Countrywide Alternative Loan Trust, Series 2005-50CB 1A1	5.50	11/25/35	26,332
	38,397	Countrywide Home Loan Mortgage Pass-Through Trust, Series 2007-HY5 1A1 ^(c)	3.80	09/25/47	37,424
	50,643	IndyMac Index Mortgage Loan Trust, Series 2006-AR25 3A1 ^(c)	3.65	09/25/36	43,875
	22,714	JPMorgan Mortgage Trust, Series 2007-A2 4A1M ^(c)	3.61	04/25/37	21,936
	32,375	Structured Adjustable Rate Mortgage Loan Trust, Series 2007-3 3A1 ^(c)	3.63	04/25/47	24,894
Total Asset Backed Obligations (Cost \$249,667)				376,547	
Shares	Security Description	Value			
Investment Companies - 38.0%					
1,529,930	Absolute Capital Opportunities Fund ^{(b)(d)}	19,154,722			
2,840,976	Absolute Convertible Arbitrage Fund ^(d)	29,233,640			
52,835	SPDR S&P 500 ETF Trust	13,903,530			
125,000	VanEck Vectors Gold Miners ETF	2,747,500			
Total Investment Companies (Cost \$53,720,351)				65,039,392	
Shares	Security Description	Value			
Money Market Fund - 24.3%					
41,734,470	State Street Institutional Treasury Money Market Fund, Premier Share Class, 1.50% ^(e) (Cost \$41,734,470)	41,734,470			

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2018

Contracts	Security Description	Strike Price	Exp. Date	Notional Contract Value	Value
Purchased Options - 0.4%					
Call Options Purchased - 0.0%					
3,429	PowerShares DB Commodity Index Tracking Fund ETF (Premiums Paid \$97,315)	\$ 17.00	04/18	\$ 5,829,300	\$ 68,580
Put Options Purchased - 0.4%					
1,860	iShares Russell 2000 ETF (Premiums Paid \$574,187)	150.00	05/18	28,240,380	619,380
Total Purchased Options (Premiums Paid \$671,502)					687,960
Total Long Positions - 92.6% (Cost \$140,671,535)					158,672,750
Total Short Positions - (19.0)% (Proceeds \$(34,589,488))					(32,481,023)
Other Assets & Liabilities, Net - 26.4%					45,132,462
Net Assets - 100.0%					\$ 171,324,189

ABSOLUTE STRATEGIES FUND
SCHEDULE OF SECURITIES SOLD SHORT
MARCH 31, 2018

Shares	Security Description	Value
Short Positions - (19.0)%		
Common Stock - (17.6)%		
Consumer Discretionary - (5.5)%		
(365)	Amazon.com, Inc.	\$ (528,279)
(21,035)	Bojangles', Inc.	(291,335)
(6,859)	Brinker International, Inc.	(247,610)
(7,050)	Carnival Corp.	(462,339)
(1,067)	Chipotle Mexican Grill, Inc.	(344,758)
(1,981)	Cracker Barrel Old Country Store, Inc.	(315,375)
(6,402)	Dave & Buster's Entertainment, Inc.	(267,220)
(2,439)	Dollarama, Inc.	(296,425)
(13,250)	DR Horton, Inc.	(580,880)
(18,291)	Duluth Holdings, Inc., Class B	(342,590)
(6,097)	Dunkin' Brands Group, Inc.	(363,930)
(10,200)	Fiat Chrysler Automobiles NV	(207,110)
(8,688)	Fiesta Restaurant Group, Inc.	(160,728)
(4,400)	HD Supply Holdings, Inc.	(166,936)
(2,743)	LCI Industries	(285,684)
(8,470)	Leggett & Platt, Inc.	(375,729)
(5,680)	Lowe's Cos., Inc.	(498,420)
(2,290)	Mohawk Industries, Inc.	(531,784)
(36,582)	Noodles & Co.	(276,194)
(6,097)	Red Robin Gourmet Burgers, Inc.	(353,626)
(6,707)	Shake Shack, Inc.	(279,212)
(21,993)	The Habit Restaurants, Inc., Class A	(193,538)
(2,830)	The Home Depot, Inc.	(504,419)
(9,000)	Tractor Supply Co.	(567,180)
(820)	Ulta Beauty, Inc.	(167,501)
(15,242)	Vista Outdoor, Inc.	(248,750)
(14,700)	Volvo AB, Class B	(268,039)
(1,219)	WW Grainger, Inc.	(344,087)
		<u>(9,469,678)</u>
Consumer Staples - (2.4)%		
(8,530)	AerCap Holdings NV	(432,642)
(20,582)	Amira Nature Foods, Ltd.	(85,827)
(8,993)	Archer-Daniels-Midland Co.	(390,026)
(1,829)	Dr. Pepper Snapple Group, Inc.	(216,517)
(2,050)	FleetCor Technologies, Inc.	(415,125)
(15,242)	Flowers Foods, Inc.	(333,190)
(20,882)	Hostess Brands, Inc.	(308,845)
(2,591)	Ingredion, Inc.	(334,032)
(10,670)	Macquarie Infrastructure Corp.	(394,043)
(3,201)	McCormick & Co., Inc., Non-Voting Shares	(340,554)
(3,201)	PepsiCo., Inc.	(349,389)
(2,591)	Sanderson Farms, Inc.	(308,381)
(3,811)	The Kraft Heinz Co.	(237,387)
		<u>(4,145,958)</u>
Financial - (4.2)%		
(330,000)	Agricultural Bank of China, Ltd., Class H	(187,535)
(8,840)	Air Lease Corp.	(376,761)
(2,025)	Alliance Data Systems Corp.	(431,041)
(3,280)	Ameriprise Financial, Inc.	(485,243)
(71,158)	Banco Santander SA, ADR	(466,085)
(18,550)	Bank of America Corp.	(556,315)
(338,000)	Bank of China, Ltd., Class H	(181,745)
(228,000)	Bank of Communications Co., Ltd., Class H	(178,666)
(245,000)	China CITIC Bank Corp., Ltd., Class H	(167,326)
(177,000)	China Construction Bank Corp., Class H	(181,778)
(232,000)	China Galaxy Securities Co., Ltd., Class H	(154,309)
(47,000)	China Merchants Bank Co., Ltd., Class H	(192,536)
(76,000)	CITIC Securities Co., Ltd., Class H	(173,921)
(20,800)	Deutsche Bank AG	(290,784)
(7,100)	Fastighets AB Balder	(178,227)
(237,000)	Industrial & Commercial Bank of China, Ltd., Class H	(203,234)
(61,700)	Intesa Sanpaolo SpA	(224,226)

ABSOLUTE STRATEGIES FUND
SCHEDULE OF SECURITIES SOLD SHORT
MARCH 31, 2018

Shares	Security Description	Value
Financial - (4.2)% (continued)		
(2,650)	M&T Bank Corp.	\$ (488,554)
(4,775)	OTP Bank PLC	(214,814)
(9,300)	Swedbank AB, Class A	(208,280)
(16,200)	Synchrony Financial	(543,186)
(17,900)	The Blackstone Group LP	(571,905)
(10,250)	The Charles Schwab Corp.	(535,255)
		<u>(7,191,726)</u>
Industrial - (3.4)%		
(3,811)	AGCO Corp.	(247,143)
(5,800)	Atlas Copco AB, Class A	(250,899)
(6,530)	Eaton Corp. PLC	(521,812)
(5,200)	Emerson Electric Co.	(355,160)
(3,060)	Illinois Tool Works, Inc.	(479,380)
(7,800)	Jacobs Engineering Group, Inc.	(461,370)
(1,430)	Martin Marietta Materials, Inc.	(296,439)
(16,700)	Peab AB	(150,204)
(11,900)	SKF AB, Class B	(242,994)
(1,905)	Snap-on, Inc.	(281,064)
(6,725)	Spirit AeroSystems Holdings, Inc., Class A	(562,882)
(4,800)	Textron, Inc.	(283,056)
(1,160)	The Boeing Co.	(380,341)
(5,704)	The Middleby Corp.	(706,098)
(2,170)	Vulcan Materials Co.	(247,749)
(5,300)	Wartsila OYJ Abp	(117,059)
(15,395)	Welbilt, Inc.	(299,433)
		<u>(5,883,083)</u>
Information Technology - (1.3)%		
(2,170)	Autodesk, Inc.	(272,508)
(9,600)	CA, Inc.	(325,440)
(9,000)	Intel Corp.	(468,720)
(1,440)	NVIDIA Corp.	(333,490)
(6,600)	Oracle Corp.	(301,950)
(4,430)	salesforce.com, Inc.	(515,209)
		<u>(2,217,317)</u>
Materials - (0.2)%		
(12,194)	American Vanguard Corp.	(246,319)
Telecommunication Services - (0.6)%		
(175)	Booking Holdings, Inc.	(364,068)
(3,460)	Facebook, Inc., Class A	(552,874)
		<u>(916,942)</u>
Total Common Stock (Proceeds \$(32,569,391))		<u>(30,071,023)</u>
Shares	Security Description	Value
Investment Company - (1.4)%		
(20,000)	First Trust Dow Jones Internet Index Fund ETF (Proceeds \$(2,020,097))	<u>(2,410,000)</u>
Total Short Positions - (19.0)% (Proceeds \$(34,589,488))		<u>\$ (32,481,023)</u>

ABSOLUTE STRATEGIES FUND

NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT

MARCH 31, 2018

- ADR American Depositary Receipt
 ETF Exchange Traded Fund
 LP Limited Partnership
 PLC Public Limited Company
 (a) All or a portion of this security is held as collateral for securities sold short.
 (b) Non-income producing security.
 (c) Variable rate security, the interest rate of which adjusts periodically based on changes in current interest rates. Rate represented is as of March 31, 2018.
 (d) Affiliated Company.
 (e) Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of March 31, 2018.

At March 31, 2018, the Fund held the following exchange traded futures contracts:

Contracts	Type	Expiration Date	Notional Contract Value	Value	Net Unrealized Appreciation (Depreciation)
(150)	CME E-Mini Russell Future	06/15/18	\$ (11,373,647)	\$ (11,484,000)	\$ (110,353)
(475)	S&P 500 E-mini Future	06/15/18	(64,716,974)	(62,771,250)	1,945,724
25	Silver Future	05/29/18	2,075,692	2,033,500	(42,192)
			<u>\$ (74,014,929)</u>	<u>\$ (72,221,750)</u>	<u>\$ 1,793,179</u>

Affiliated investments are investments that are managed by the adviser, and are noted in the Absolute Strategies Fund's Schedule of Investments. Transactions during the year with affiliates were as follows:

Investment Companies

Absolute Capital Opportunities Fund	Balance 3/31/2017	Gross Additions	Gross Reductions	Change in Unrealized Appreciation	Balance 3/31/2018	Realized Gain/(Loss)	Investment Income
Shares/Principal	1,289,545	240,385	—	—	1,529,930		
Cost	\$ 13,010,000	\$ 3,000,000	\$ —	\$ —	\$ 16,010,000	\$ —	\$ —
Value	14,146,311	—	—	2,008,411	19,154,722		
Absolute Convertible Arbitrage Fund	Balance 3/31/2017	Gross Additions	Gross Reductions	Change in Unrealized Appreciation	Balance 3/31/2018	Realized Gain/(Loss)	Investment Income
Shares/Principal	—	2,840,976	—	—	2,840,976		
Cost	\$ —	\$ 29,047,189	\$ —	\$ —	\$ 29,047,189	\$ —	\$ 47,189
Value	—	—	—	186,451	29,233,640		

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of March 31, 2018.

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.

Assets	Level 1	Level 2	Level 3	Total
Investments at Value				
Common Stock				
Consumer Discretionary	\$ 6,081,948	\$ —	\$ —	\$ 6,081,948
Consumer Staples	5,526,204	—	—	5,526,204
Energy	16,667,031	—	—	16,667,031
Financial	6,545,008	—	—	6,545,008
Healthcare	2,605,547	—	—	2,605,547
Industrial	4,507,496	—	—	4,507,496
Information Technology	987,920	—	—	987,920
Materials	5,831,770	—	—	5,831,770
Telecommunication Services	1,076,750	—	—	1,076,750
Utilities	1,004,707	—	—	1,004,707
Asset Backed Obligations	—	376,547	—	376,547
Investment Companies	65,039,392	—	—	65,039,392
Money Market Fund	—	41,734,470	—	41,734,470

ABSOLUTE STRATEGIES FUND

NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT

MARCH 31, 2018

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Purchased Options	\$ 687,960	\$ -	\$ -	\$ 687,960
Investments at Value	\$ 116,561,733	\$ 42,111,017	\$ -	\$ 158,672,750
Other Financial Instruments*				
Futures	1,945,724	-	-	1,945,724
Total Other Financial Instruments*	\$ 1,945,724	\$ -	\$ -	\$ 1,945,724
Total Assets	\$ 118,507,457	\$ 42,111,017	\$ -	\$ 160,618,474
Liabilities				
Securities Sold Short				
Common Stock	\$ (30,071,023)	\$ -	\$ -	\$ (30,071,023)
Investment Company	(2,410,000)	-	-	(2,410,000)
Securities Sold Short	\$ (32,481,023)	\$ -	\$ -	\$ (32,481,023)
Other Financial Instruments*				
Futures	(152,545)	-	-	(152,545)
Total Liabilities	\$ (32,633,568)	\$ -	\$ -	\$ (32,633,568)

* Other Financial Instruments are derivatives not reflected in the Schedule of Investments and Schedule of Securities Sold Short, such as futures, which are valued at the unrealized appreciation/(depreciation) at year end.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value.

	<u>Written Options</u>
Balance as of 03/31/17	\$ (126)
Change in Unrealized Appreciation /(Depreciation)	(26,271)
Sales/Covers	229
Realized Gain (Loss)	26,168
Balance as of 03/31/18	\$ -
Net change in unrealized appreciation / (depreciation) from investments held as of 03/31/18	\$ -

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 March 31, 2018.

ABSOLUTE CAPITAL OPPORTUNITIES FUND
PORTFOLIO HOLDINGS SUMMARY (Unaudited)
MARCH 31, 2018

Portfolio Breakdown (% of Net Assets)	
Long Positions	
Common Stock	60.1%
Money Market Fund	29.5%
Purchased Options	2.1%
Short Positions	
Common Stock	(1.0)%
Investment Company	(36.6)%
Written Options	(0.4)%
Other Assets & Liabilities, Net *	46.3%
	100.0%

* Consists of deposits with the custodian and/or brokers for securities sold short, cash, prepaid expenses, receivables, payables and accrued liabilities. Deposits with the custodian and/or brokers for securities sold short represent 45.0% of net assets. See Note 2 of the accompanying Notes to Financial Statements.

ABSOLUTE CAPITAL OPPORTUNITIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2018

Shares	Security Description	Value
Long Positions - 91.7%		
Common Stock - 60.1%		
Consumer Discretionary - 7.9%		
9,556	American Airlines Group, Inc. ^(a)	\$ 496,530
1,838	CarMax, Inc. ^{(a)(b)}	113,846
20,382	General Motors Co. ^{(a)(c)}	740,682
7,328	Harley-Davidson, Inc. ^{(a)(c)(d)}	314,224
7,595	Robert Half International, Inc.	439,674
4,276	The Cheesecake Factory, Inc.	206,189
2,529	The Walt Disney Co. ^{(a)(c)}	254,013
		<u>2,565,158</u>
Consumer Staples - 1.6%		
1,473	AMERCO ^(b)	508,332
Energy - 2.7%		
14,559	Halliburton Co. ^(a)	683,400
2,850	Schlumberger, Ltd. ^(a)	184,623
		<u>868,023</u>
Financial - 18.1%		
4,221	American Express Co. ^(a)	393,735
3,584	Aon PLC ^(a)	502,943
29,019	Bank of America Corp. ^(a)	870,280
5,756	Berkshire Hathaway, Inc., Class B ^{(a)(b)}	1,148,207
13,833	CBRE Group, Inc., Class A ^{(a)(b)}	653,194
6,792	Citigroup, Inc. ^(a)	458,460
8,238	JPMorgan Chase & Co. ^(a)	905,933
13,593	The Blackstone Group LP	434,296
1,991	The Goldman Sachs Group, Inc.	501,453
		<u>5,868,501</u>
Healthcare - 3.8%		
2,757	Bayer AG	311,384
9,449	Henry Schein, Inc. ^(b)	635,067
2,044	McKesson Corp.	287,938
		<u>1,234,389</u>
Industrial - 9.0%		
5,881	Delta Air Lines, Inc.	322,338
16,995	General Electric Co.	229,092
12,767	Jacobs Engineering Group, Inc. ^(a)	755,168
25,542	Quanta Services, Inc. ^{(a)(b)}	877,368
1,284	The Boeing Co. ^(a)	420,998
2,785	United Parcel Service, Inc., Class B ^(a)	291,478
		<u>2,896,442</u>
Information Technology - 6.6%		
5,899	Analog Devices, Inc.	537,576
7,185	Apple, Inc. ^(a)	1,205,499
613	IBM	94,053
2,145	Intel Corp.	111,712
2,145	Micron Technology, Inc. ^{(b)(d)}	111,840
1,379	QUALCOMM, Inc.	76,410
		<u>2,137,090</u>
Materials - 1.3%		
3,754	PPG Industries, Inc.	418,946
Telecommunication Services - 9.1%		
491	Alphabet, Inc., Class A ^{(a)(b)}	509,236
327	Alphabet, Inc., Class C ^{(a)(b)}	337,395
22,715	CBS Corp., Class B ^(a)	1,167,324
2,298	Comcast Corp., Class A	78,523
1,838	DISH Network Corp., Class A ^(b)	69,642
4,202	Facebook, Inc., Class A ^{(b)(c)}	671,437
1,225	Omnicom Group, Inc.	89,021
2,449	Spark Networks SE, ADR ^(b)	36,490
		<u>2,959,068</u>
Total Common Stock (Cost \$18,794,321)		<u>19,455,949</u>

ABSOLUTE CAPITAL OPPORTUNITIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2018

Shares	Security Description			Value	
Money Market Fund - 29.5%					
9,538,969	State Street Institutional Treasury Money Market Fund, Premier Share Class, 1.50% ^(e) (Cost \$9,538,969)			\$ 9,538,969	
Contracts	Security Description	Strike Price	Exp. Date	Notional Contract Value	Value
Purchased Options - 2.1%					
Call Options Purchased - 0.4%					
42	Caterpillar, Inc.	\$ 200.00	01/19	\$ 840,000	6,762
455	General Motors Co.	65.00	01/19	2,957,500	910
400	General Motors Co.	55.00	01/19	2,200,000	4,400
239	Harley-Davidson, Inc.	65.00	01/19	1,553,500	5,497
3,084	SPDR S&P 500 ETF Trust	285.00	04/18	87,894,000	24,672
72	United Continental Holdings, Inc.	65.00	01/19	468,000	82,800
Total Call Options Purchased (Premiums Paid \$345,244)					125,041
Put Options Purchased - 1.7%					
22	Comcast Corp.	40.00	01/20	75,174	18,040
19	DISH Network Corp.	47.50	01/20	71,991	25,080
7	IBM	165.00	01/20	107,401	18,410
21	Intel Corp.	42.00	01/20	109,368	6,615
21	Micron Technology, Inc.	42.00	01/20	109,494	13,493
12	Omnicom Group, Inc.	72.50	01/20	87,204	10,440
13	QUALCOMM, Inc.	65.00	01/20	72,033	20,150
472	SPDR S&P 500 ETF Trust	271.00	04/18	12,420,680	432,824
Total Put Options Purchased (Premiums Paid \$519,902)					545,052
Total Purchased Options (Premiums Paid \$865,146)					670,093
Total Long Positions - 91.7% (Cost \$29,198,436)					29,665,011
Total Short Positions - (37.6%) (Proceeds \$(12,506,272))					(12,139,511)
Total Written Options - (0.4%) (Premiums Received \$(138,666))					(141,259)
Other Assets & Liabilities, Net - 46.3%					14,953,693
Net Assets - 100.0%					\$ 32,337,934

ABSOLUTE CAPITAL OPPORTUNITIES FUND

SCHEDULE OF SECURITIES SOLD SHORT

MARCH 31, 2018

Shares	Security Description	Value
Short Positions - (37.6)%		
Common Stock - (1.0)%		
Industrial - (1.0)%		
(2,065)	Caterpillar, Inc. (Proceeds \$(294,377))	<u>\$ (304,340)</u>
Investment Company - (36.6)%		
(44,975)	SPDR S&P 500 ETF Trust (Proceeds \$(12,211,895))	<u>(11,835,171)</u>
Total Short Positions - (37.6)% (Proceeds \$(12,506,272))		<u><u>\$ (12,139,511)</u></u>

ABSOLUTE CAPITAL OPPORTUNITIES FUND
SCHEDULE OF CALL AND PUT OPTIONS WRITTEN
MARCH 31, 2018

Contracts	Security Description	Strike Price	Exp. Date	Notional Contract Value	Value
Written Options - (0.4)%					
Call Options Written - (0.1)%					
(215)	Harley-Davidson, Inc.	\$ 75.00	01/19	\$ 921,920	\$ (215)
(21)	Micron Technology, Inc.	70.00	01/20	109,494	(17,955)
(72)	United Continental Holdings, Inc.	100.00	01/19	500,184	(8,280)
Total Call Options Written (Premiums Received \$(30,459))					(26,450)
Put Options Written - (0.3)%					
(16)	Facebook, Inc., Class A	165.00	01/19	264,000	(30,640)
(33)	General Motors Co.	45.00	01/20	148,500	(36,795)
(14)	Harley-Davidson, Inc.	55.00	01/20	77,000	(20,685)
(42)	NIKE, Inc., Class B	45.00	01/19	189,000	(2,940)
(55)	The Kroger Co.	22.00	04/18	121,000	(935)
(12)	The Walt Disney Co.	90.00	01/19	108,000	(4,410)
(20)	Time Warner, Inc.	90.00	01/19	180,000	(10,700)
(72)	United Continental Holdings, Inc.	45.00	01/19	324,000	(7,704)
Total Put Options Written (Premiums Received \$(108,207))					(114,809)
Total Written Options - (0.4)% (Premiums Received \$(138,666))					\$ (141,259)

ABSOLUTE CAPITAL OPPORTUNITIES FUND

 NOTES TO SCHEDULES OF INVESTMENTS, SECURITIES SOLD SHORT AND CALL AND PUT OPTIONS WRITTEN
 MARCH 31, 2018

- ADR American Depositary Receipt
 ETF Exchange Traded Fund
 LP Limited Partnership
 PLC Public Limited Company
 (a) All or a portion of this security is held as collateral for securities sold short.
 (b) Non-income producing security.
 (c) Subject to put option written by the Fund.
 (d) Subject to call option written by the Fund.
 (e) Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of March 31, 2018.

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of March 31, 2018.

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.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments at Value				
Common Stock				
Consumer Discretionary	\$ 2,565,158	\$ -	\$ -	\$ 2,565,158
Consumer Staples	508,332	-	-	508,332
Energy	868,023	-	-	868,023
Financial	5,868,501	-	-	5,868,501
Healthcare	1,234,389	-	-	1,234,389
Industrial	2,896,442	-	-	2,896,442
Information Technology	2,137,090	-	-	2,137,090
Materials	418,946	-	-	418,946
Telecommunication Services	2,959,068	-	-	2,959,068
Money Market Fund	-	9,538,969	-	9,538,969
Purchased Options	140,976	529,117	-	670,093
Investments at Value	\$ 19,596,925	\$ 10,068,086	\$ -	\$ 29,665,011
Total Assets	\$ 19,596,925	\$ 10,068,086	\$ -	\$ 29,665,011
Liabilities				
Securities Sold Short				
Common Stock	\$ (304,340)	\$ -	\$ -	\$ (304,340)
Investment Company	(11,835,171)	-	-	(11,835,171)
Securities Sold Short	\$ (12,139,511)	\$ -	\$ -	\$ (12,139,511)
Other Financial Instruments*				
Written Options	(105,249)	(36,010)	-	(141,259)
Total Liabilities	\$ (12,244,760)	\$ (36,010)	\$ -	\$ (12,280,770)

* Other Financial Instruments are derivatives not reflected in the Schedule of Investments and Schedule of Securities Sold Short, such as written options, which are reported at their market value at year end.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value.

	<u>Written Options</u>
Balance as of 03/31/17	\$ (14)
Change in Unrealized Appreciation/(Depreciation)	(2,919)
Sales/Covers	-
Realized Gain (Loss)	2,933
Balance as of 03/31/18	\$ -
Net change in unrealized appreciation/(depreciation) from investments held as of 03/31/18	-

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 March 31, 2018.

ABSOLUTE CONVERTIBLE ARBITRAGE

PORTFOLIO HOLDINGS SUMMARY (Unaudited)

MARCH 31, 2018

Portfolio Breakdown (% of Net Assets)

Long Positions	
Corporate Convertible Bonds	78.8%
Money Market Fund	60.4%
Short Positions	
Common Stock	(38.5)%
Other Assets & Liabilities, Net *	(0.7)%
	100.0%

* Consists of prepaid expenses, deferred offering costs, receivables, payables and accrued liabilities. See Note 2 of the accompanying Notes to Financial Statements.

ABSOLUTE CONVERTIBLE ARBITRAGE

SCHEDULE OF INVESTMENTS

MARCH 31, 2018

Principal	Security Description	Rate	Maturity	Value
Long Positions - 139.2% (a)				
Corporate Convertible Bonds - 78.8%				
Consumer Discretionary - 3.0%				
\$ 500,000	Horizon Global Corp.	2.75%	07/01/22	\$ 412,326
1,000,000	Live Nation Entertainment, Inc. ^(b)	2.50	03/15/23	1,011,681
250,000	Marriott Vacations Worldwide Corp. ^(b)	1.50	09/15/22	274,231
				<u>1,698,238</u>
Consumer Staples - 1.7%				
600,000	Carriage Services, Inc.	2.75	03/15/21	789,404
125,000	Flexion Therapeutics, Inc. ^(b)	3.38	05/01/24	142,639
				<u>932,043</u>
Energy - 4.2%				
250,000	Bristow Group, Inc.	4.50	06/01/23	276,737
150,000	Helix Energy Solutions Group, Inc.	4.25	05/01/22	142,377
500,000	Helix Energy Solutions Group, Inc.	4.13	09/15/23	506,512
500,000	Newpark Resources, Inc. ^(b)	4.00	12/01/21	581,250
750,000	Renewable Energy Group, Inc.	2.75	06/15/19	843,119
				<u>2,349,995</u>
Financial - 1.7%				
300,000	Encore Capital Group, Inc.	3.00	07/01/20	344,100
628,000	Encore Capital Group, Inc.	2.88	03/15/21	629,884
				<u>973,984</u>
Healthcare - 21.0%				
500,000	Accelerate Diagnostics, Inc. ^(b)	2.50	03/15/23	484,816
1,000,000	Accuray, Inc. ^(b)	3.75	07/15/22	1,140,000
1,300,000	Alder Biopharmaceuticals, Inc.	2.50	02/01/25	1,201,534
500,000	Avadel Finance Cayman, Ltd. ^(b)	4.50	02/01/23	505,750
500,000	DexCom, Inc. ^(b)	0.75	05/15/22	515,681
1,000,000	Exact Sciences Corp.	1.00	01/15/25	893,388
1,400,000	Insmed, Inc.	1.75	01/15/25	1,237,898
700,000	Insulet Corp. ^(b)	1.38	11/15/24	802,915
400,000	Ironwood Pharmaceuticals, Inc.	2.25	06/15/22	472,848
750,000	Jazz Investments I, Ltd. ^(b)	1.50	08/15/24	734,147
650,000	Novavax, Inc.	3.75	02/01/23	462,790
500,000	Pacira Pharmaceuticals, Inc.	2.38	04/01/22	458,125
750,000	Quidel Corp.	3.25	12/15/20	1,301,025
750,000	Repligen Corp.	2.13	06/01/21	976,564
100,000	Senseonics Holdings, Inc.	5.25	02/01/23	107,900
500,000	Theravance Biopharma, Inc.	3.25	11/01/23	508,423
				<u>11,803,804</u>
Industrial - 10.6%				
750,000	Fluidigm Corp.	2.75	02/01/34	688,428
461,000	Fluidigm Corp.	2.75	02/01/34	393,606
1,150,000	II-VI, Inc. ^(b)	0.25	09/01/22	1,273,050
1,100,000	Kaman Corp. ^(b)	3.25	05/01/24	1,253,385
1,000,000	Team, Inc. ^(b)	5.00	08/01/23	992,562
350,000	TimkenSteel Corp.	6.00	06/01/21	514,745
500,000	TTM Technologies, Inc.	1.75	12/15/20	833,438
				<u>5,949,214</u>
Information Technology - 26.1%				
1,048,000	Advanced Micro Devices, Inc.	2.13	09/01/26	1,536,158
700,000	Apptio, Inc. ^(b)	0.88	04/01/23	690,900
500,000	Avid Technology, Inc.	2.00	06/15/20	421,750
1,365,000	Carbonite, Inc. ^(b)	2.50	04/01/22	1,782,266
1,090,000	Coupa Software, Inc. ^(b)	0.38	01/15/23	1,320,643
500,000	Integrated Device Technology, Inc.	0.88	11/15/22	564,500
1,000,000	Nutanix, Inc. ^{(b)(c)}	0.00	01/15/23	1,205,803
1,000,000	Red Hat, Inc.	0.25	10/01/19	2,027,092
1,500,000	ServiceNow, Inc. ^{(b)(c)}	0.00	06/01/22	1,994,475
1,000,000	Silicon Laboratories, Inc.	1.38	03/01/22	1,160,000
500,000	Teradyne, Inc.	1.25	12/15/23	763,603
1,250,000	Veeco Instruments, Inc.	2.70	01/15/23	1,140,871
				<u>14,608,061</u>

ABSOLUTE CONVERTIBLE ARBITRAGE

SCHEDULE OF INVESTMENTS

MARCH 31, 2018

Principal	Security Description	Rate	Maturity	Value	
Materials - 1.7%					
\$ 500,000	Aceto Corp.	2.00%	11/01/20	\$ 441,274	
500,000	SSR Mining, Inc.	2.88	02/01/33	497,188	
				938,462	
Telecommunication Services - 8.8%					
569,000	CalAmp Corp.	1.63	05/15/20	609,583	
1,000,000	Chegg, Inc. ^(b)	0.25	05/15/23	1,030,302	
500,000	Global Eagle Entertainment, Inc.	3.25	02/15/35	316,000	
1,000,000	Harmonic, Inc.	4.00	12/01/20	986,250	
550,000	Pandora Media, Inc.	1.75	12/01/20	503,597	
500,000	Quotient Technology, Inc. ^(b)	1.75	12/01/22	519,413	
750,000	RingCentral, Inc. ^{(b)(c)}	0.00	03/15/23	755,550	
250,000	Wayfair, Inc. ^(b)	0.38	09/01/22	238,000	
				4,958,695	
Total Corporate Convertible Bonds (Cost \$42,637,553)				44,212,496	
Shares	Security Description				Value
Money Market Fund - 60.4%					
33,852,237	State Street Institutional Treasury Money Market Fund, Premier Share Class, 1.50% ^(d)				
	(Cost \$33,852,237)				33,852,237
Total Long Positions - 139.2% (Cost \$76,489,790)				78,064,733	
Total Short Positions - (38.5)% (Proceeds \$(21,171,559))				(21,593,223)	
Other Assets & Liabilities, Net - (0.7)%				(406,814)	
Net Assets - 100.0%				\$ 56,064,696	

ABSOLUTE CONVERTIBLE ARBITRAGE
SCHEDULE OF SECURITIES SOLD SHORT
MARCH 31, 2018

Shares	Security Description	Value
Short Positions - (38.5)%		
Common Stock - (38.5)%		
Consumer Discretionary - (0.8)%		
(5,380)	Horizon Global Corp.	\$ (44,331)
(6,400)	Live Nation Entertainment, Inc.	(269,696)
(953)	Marriott Vacations Worldwide Corp.	(126,940)
		<u>(440,967)</u>
Consumer Staples - (1.2)%		
(21,436)	Carriage Services, Inc.	(592,920)
(2,900)	Flexion Therapeutics, Inc.	(64,989)
		<u>(657,909)</u>
Energy - (1.6)%		
(11,100)	Bristow Group, Inc.	(144,300)
(22,683)	Helix Energy Solutions Group, Inc.	(131,334)
(35,600)	Newpark Resources, Inc.	(288,360)
(26,982)	Renewable Energy Group, Inc.	(345,370)
		<u>(909,364)</u>
Financial - (0.8)%		
(9,577)	Encore Capital Group, Inc.	(432,880)
Healthcare - (9.4)%		
(1,800)	Accelerate Diagnostics, Inc.	(41,130)
(117,700)	Accuray, Inc.	(588,500)
(41,700)	Alder Biopharmaceuticals, Inc.	(529,590)
(21,800)	Avadel Pharmaceuticals PLC, ADR	(158,922)
(2,320)	DexCom, Inc.	(172,051)
(7,650)	Exact Sciences Corp.	(308,524)
(22,000)	Insmed, Inc.	(495,440)
(4,900)	Insulet Corp.	(424,732)
(17,560)	Ironwood Pharmaceuticals, Inc.	(270,951)
(1,762)	Jazz Pharmaceuticals PLC	(266,044)
(51,200)	Novavax, Inc.	(107,520)
(2,750)	Pacira Pharmaceuticals, Inc.	(85,663)
(19,034)	Quidel Corp.	(986,152)
(16,500)	Repligen Corp.	(596,970)
(1,000)	Senseonics Holdings, Inc.	(3,000)
(9,000)	Theravance Biopharma, Inc.	(218,250)
		<u>(5,253,439)</u>
Industrial - (5.2)%		
(34,250)	Fluidigm Corp.	(200,020)
(16,200)	II-VI, Inc.	(662,580)
(10,400)	Kaman Corp.	(646,048)
(26,000)	Team, Inc.	(357,500)
(21,940)	TimkenSteel Corp.	(333,269)
(46,900)	TTM Technologies, Inc.	(717,101)
		<u>(2,916,518)</u>
Information Technology - (16.5)%		
(109,580)	Advanced Micro Devices, Inc.	(1,101,279)
(8,422)	Apptio, Inc., Class A	(238,680)
(4,000)	Avid Technology, Inc.	(18,160)
(38,800)	Carbonite, Inc.	(1,117,440)
(17,628)	Coupa Software, Inc.	(804,189)
(10,497)	Integrated Device Technology, Inc.	(320,788)
(14,540)	Nutanix, Inc., Class A	(714,059)
(13,372)	Red Hat, Inc.	(1,999,248)
(8,954)	ServiceNow, Inc.	(1,481,439)
(7,300)	Silicon Laboratories, Inc.	(656,270)
(13,350)	Teradyne, Inc.	(610,229)
(11,000)	Veeco Instruments, Inc.	(187,000)
		<u>(9,248,781)</u>
Materials - 0.0%		
(300)	Aceto Corp.	(2,280)
(3,000)	SSR Mining, Inc.	(28,800)
		<u>(31,080)</u>

ABSOLUTE CONVERTIBLE ARBITRAGE

SCHEDULE OF SECURITIES SOLD SHORT

MARCH 31, 2018

Shares	Security Description	Value
Telecommunication Services - (3.0)%		
(10,903)	CalAmp Corp.	\$ (249,461)
(22,000)	Chegg, Inc.	(454,520)
(4,200)	Global Eagle Entertainment, Inc.	(6,174)
(76,400)	Harmonic, Inc.	(290,320)
(2,887)	Pandora Media, Inc.	(14,522)
(17,600)	Quotient Technology, Inc.	(230,560)
(5,725)	RingCentral, Inc., Class A	(363,537)
(1,380)	Wayfair, Inc., Class A	(93,191)
		<u>(1,702,285)</u>
Total Common Stock (Proceeds \$(21,171,559))		<u>(21,593,223)</u>
Total Short Positions - (38.5)% (Proceeds \$(21,171,559))		<u>\$ (21,593,223)</u>

ABSOLUTE CONVERTIBLE ARBITRAGE

NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT

MARCH 31, 2018

- ADR American Depositary Receipt
PLC Public Limited Company
- (a) All or a portion of these securities are held as collateral for securities sold short.
(b) Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$19,249,459 or 34.3% of net assets.
(c) Zero coupon bond. Interest rate presented is yield to maturity.
(d) Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of March 31, 2018.

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of March 31, 2018.

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.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments at Value				
Corporate Convertible Bonds	\$ -	\$ 44,212,496	\$ -	\$ 44,212,496
Money Market Fund	-	33,852,237	-	33,852,237
Investments at Value	\$ -	\$ 78,064,733	\$ -	\$ 78,064,733
Total Assets	\$ -	\$ 78,064,733	\$ -	\$ 78,064,733
Liabilities				
Securities Sold Short				
Common Stock	\$ (21,593,223)	\$ -	\$ -	\$ (21,593,223)
Securities Sold Short	\$ (21,593,223)	\$ -	\$ -	\$ (21,593,223)
Total Liabilities	\$ (21,593,223)	\$ -	\$ -	\$ (21,593,223)

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 March 31, 2018.

ABSOLUTE FUNDS

STATEMENTS OF ASSETS AND LIABILITIES

MARCH 31, 2018

	ABSOLUTE STRATEGIES FUND	ABSOLUTE CAPITAL OPPORTUNITIES FUND	ABSOLUTE CONVERTIBLE ARBITRAGE FUND
ASSETS			
Investments, at value (Cost \$95,614,346, \$29,198,436 and \$76,489,790, respectively)	\$ 110,284,388	\$ 29,665,011	\$ 78,064,733
Investments in affiliates, at value (Cost \$45,057,189, \$0 and \$0, respectively)	48,388,362	-	-
	<u>\$ 158,672,750</u>	<u>\$ 29,665,011</u>	<u>\$ 78,064,733</u>
Cash	4,529,451	2,614	-
Deposits with broker	42,161,700	14,568,191	-
Foreign currency (Cost \$108,878, \$0 and \$0, respectively)	110,970	-	-
Receivables:			
Fund shares sold	42,803	432,006	94,926
Investment securities sold	2,487,952	46	1,008,207
Dividends and interest	238,300	20,598	235,136
Prepaid expenses	12,500	11,724	1,904
Deferred offering costs	-	-	11,964
Total Assets	<u>208,256,426</u>	<u>44,700,190</u>	<u>79,416,870</u>
LIABILITIES			
Call options written, at value (Premiums received \$0, \$30,459 and \$0, respectively)	-	26,450	-
Put options written, at value (Premiums received \$0, \$108,207 and \$0, respectively)	-	114,809	-
Securities sold short, at value (Proceeds \$34,589,488, \$12,506,272 and \$21,171,559, respectively)	32,481,023	12,139,511	21,593,223
Payables:			
Investment securities purchased	3,852,363	30,639	1,542,044
Fund shares redeemed	377,941	-	-
Due to custodian	-	-	45,341
Dividends on securities sold short	18,832	-	2,090
Accrued Liabilities:			
Investment adviser fees	3,627	13,418	104,217
Trustees' fees and expenses	400	50	50
Fund services fees	33,638	4,747	2,424
Other expenses	164,413	32,632	62,785
Total Liabilities	<u>36,932,237</u>	<u>12,362,256</u>	<u>23,352,174</u>
NET ASSETS	<u>\$ 171,324,189</u>	<u>\$ 32,337,934</u>	<u>\$ 56,064,696</u>
COMPONENTS OF NET ASSETS			
Paid-in capital	\$ 196,537,608	\$ 29,145,174	\$ 55,294,361
Undistributed net investment income (Accumulated net investment loss)	(585,480)	-	310,066
Accumulated net realized gain (loss)	(46,533,183)	2,361,991	(693,010)
Net unrealized appreciation	21,905,244	830,769	1,153,279
NET ASSETS	<u>\$ 171,324,189</u>	<u>\$ 32,337,934</u>	<u>\$ 56,064,696</u>
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)			
Institutional Shares	19,869,235	2,583,325	5,448,972
R Shares	615,709	-	-
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE			
Institutional Shares (based on net assets of \$166,373,325, \$32,337,934 and \$56,064,696, respectively)	\$ 8.37	\$ 12.52	\$ 10.29
R Shares (based on net assets of \$4,950,864, \$0 and \$0)	\$ 8.04	-\$	-

ABSOLUTE FUNDS

STATEMENTS OF OPERATIONS

YEAR OR PERIOD ENDED MARCH 31, 2018

	ABSOLUTE STRATEGIES FUND	ABSOLUTE CAPITAL OPPORTUNITIES FUND	ABSOLUTE CONVERTIBLE ARBITRAGE FUND*
INVESTMENT INCOME			
Dividend income (Net of foreign withholding taxes of \$136,736, \$5,713 and \$0, respectively)	\$ 4,454,873	\$ 214,436	\$ 139,043
Dividend income from affiliated investment	47,189	-	-
Interest income	2,150,544	-	320,109
Net amortization expense	-	-	(429,427)
Total Investment Income	<u>6,652,606</u>	<u>214,436</u>	<u>29,725</u>
EXPENSES			
Investment adviser fees	5,580,081	246,156	277,313
Fund services fees	486,104	48,409	42,503
Transfer agent fees:			
Institutional Shares	100,515	-	-
R Shares	54,648	-	-
Distribution fees:			
R Shares	31,193	-	-
Custodian fees	554,466	30,308	42,091
Registration fees:			
Institutional Shares	22,387	19,166	116
R Shares	18,822	-	-
Professional fees	150,294	47,985	64,791
Trustees' fees and expenses	33,236	5,955	3,384
Offering costs	-	-	59,870
Dividend expense on securities sold short	2,359,961	114,052	10,978
Interest expense	504,093	22,643	108,147
Other expenses	446,362	22,798	15,343
Total Expenses	<u>10,342,162</u>	<u>557,472</u>	<u>624,536</u>
Fees waived	(565,273)	(136,243)	(179,010)
Net Expenses	<u>9,776,889</u>	<u>421,229</u>	<u>445,526</u>
NET INVESTMENT LOSS	<u>(3,124,283)</u>	<u>(206,793)</u>	<u>(415,801)</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)			
Net realized gain (loss) on:			
Investments in unaffiliated issuers	85,735,917	3,960,258	820,141
Foreign currency transactions	343,372	(3,395)	-
Securities sold short	(21,589,630)	(1,007,520)	(692,699)
Written options	1,567,689	75,311	-
Futures	(23,935,334)	-	-
Swaps	(1,402,368)	-	-
Net realized gain	<u>40,719,646</u>	<u>3,024,654</u>	<u>127,442</u>
Net change in unrealized appreciation (depreciation) on:			
Investments in unaffiliated issuers	(63,244,578)	(1,262,567)	1,574,943
Investments in affiliated issuers	2,194,862	-	-
Foreign currency translations	(75,514)	26	-
Securities sold short	(2,939,668)	345,964	(421,664)
Written options	(708,906)	(30,367)	-
Futures	4,246,493	-	-
Swaps	981,271	-	-
Net change in unrealized appreciation (depreciation)	<u>(59,546,040)</u>	<u>(946,944)</u>	<u>1,153,279</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)	<u>(18,826,394)</u>	<u>2,077,710</u>	<u>1,280,721</u>
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (21,950,677)</u>	<u>\$ 1,870,917</u>	<u>\$ 864,920</u>

* Commencement of operations was August 14, 2017.

ABSOLUTE FUNDS
STATEMENTS OF CHANGES IN NET ASSETS

	ABSOLUTE STRATEGIES FUND		ABSOLUTE CAPITAL OPPORTUNITIES FUND		ABSOLUTE CONVERTIBLE ARBITRAGE FUND
	For the Years Ended March 31,		For the Years Ended March 31,		August 14, 2017* through March 31, 2018
	2018	2017	2018	2017	
OPERATIONS					
Net investment loss	\$ (3,124,283)	\$ (7,890,519)	\$ (206,793)	\$ (199,094)	\$ (415,801)
Net realized gain (loss)	40,719,646	3,597,735	3,024,654	(69,602)	127,442
Net change in unrealized appreciation (depreciation)	(59,546,040)	(16,429,187)	(946,944)	1,193,645	1,153,279
Increase (Decrease) in Net Assets Resulting from Operations	<u>(21,950,677)</u>	<u>(20,721,971)</u>	<u>1,870,917</u>	<u>924,949</u>	<u>864,920</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net realized gain:					
Institutional Shares	–	(85,840,670)	–	–	(94,585)
R Shares	–	(3,055,044)	–	–	–
Total Distributions to Shareholders	<u>–</u>	<u>(88,895,714)</u>	<u>–</u>	<u>–</u>	<u>(94,585)</u>
CAPITAL SHARE TRANSACTIONS					
Sale of shares:					
Institutional Shares	40,442,084	245,205,577	16,426,763	1,042,238	55,873,359
R Shares	4,996,291	12,641,234	–	–	–
Reinvestment of distributions:					
Institutional Shares	–	78,733,255	–	–	94,585
R Shares	–	2,739,828	–	–	–
Redemption of shares:					
Institutional Shares	(354,894,965)	(633,166,321)	(147,450)	–	(673,583)
R Shares	(18,458,224)	(18,077,731)	–	–	–
Increase (Decrease) in Net Assets from Capital Share Transactions	<u>(327,914,814)</u>	<u>(311,924,158)</u>	<u>16,279,313</u>	<u>1,042,238</u>	<u>55,294,361</u>
Increase (Decrease) in Net Assets	<u>(349,865,491)</u>	<u>(421,541,843)</u>	<u>18,150,230</u>	<u>1,967,187</u>	<u>56,064,696</u>
NET ASSETS					
Beginning of Period	<u>521,189,680</u>	<u>942,731,523</u>	<u>14,187,704</u>	<u>12,220,517</u>	<u>–</u>
End of Period (Including line (a))	<u>\$ 171,324,189</u>	<u>\$ 521,189,680</u>	<u>\$ 32,337,934</u>	<u>\$ 14,187,704</u>	<u>\$ 56,064,696</u>
SHARE TRANSACTIONS					
Sale of shares:					
Institutional Shares	4,731,888	24,990,146	1,302,256	96,537	5,506,489
R Shares	599,477	1,377,012	–	–	–
Reinvestment of distributions:					
Institutional Shares	–	8,846,433	–	–	9,273
R Shares	–	317,110	–	–	–
Redemption of shares:					
Institutional Shares	(42,135,763)	(64,717,097)	(12,164)	–	(66,790)
R Shares	<u>(2,260,126)</u>	<u>(1,972,440)</u>	<u>–</u>	<u>–</u>	<u>–</u>
Increase (Decrease) in Shares	<u>(39,064,524)</u>	<u>(31,158,836)</u>	<u>1,290,092</u>	<u>96,537</u>	<u>5,448,972</u>
(a) Undistributed net investment income (Accumulated net investment loss)	<u>\$ (585,480)</u>	<u>\$ (2,836,297)</u>	<u>\$ –</u>	<u>\$ (40,691)</u>	<u>\$ 310,066</u>

* Commencement of operations.

ABSOLUTE FUNDS
FINANCIAL HIGHLIGHTS

Period Ended	Investment Operations				Distributions to Shareholders from:		Net Asset Value, End of Period	Total Return	Net Assets, End of Period (000's)
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Operations	Net Realized Gains	Total Distribution to Shareholders			
ABSOLUTE STRATEGIES FUND									
INSTITUTIONAL SHARES									
03/31/18	\$ 8.76	\$(0.07)	\$(0.32)	(\$0.39)	\$—	\$—	\$8.37	(4.45)%	\$166,373
03/31/17	10.40	(0.10)	(0.23)	(0.33)	(1.31)	(1.31)	8.76	(3.40)	501,866
03/31/16	11.04	(0.11)	0.31	0.20	(0.84)	(0.84)	10.40	2.05	916,747
03/31/15	11.01	(0.08)	0.11	0.03	—	—	11.04	0.27	1,592,872
03/31/14	11.24	(0.10)	(0.13)	(0.23)	—	—	11.01	(2.05)	2,697,675
R SHARES									
03/31/18	8.49	(0.13)	(0.32)	(0.45)	—	—	8.04	(5.30)	4,951
03/31/17	10.17	(0.11)	(0.26)	(0.37)	(1.31)	(1.31)	8.49	(3.89)	19,324
03/31/16	10.88	(0.17)	0.30	0.13	(0.84)	(0.84)	10.17	1.41	25,985
03/31/15	10.90	(0.13)	0.11	(0.02)	—	—	10.88	(0.18)	48,577
03/31/14	11.18	(0.14)	(0.14)	(0.28)	—	—	10.90	(2.50)	66,589
ABSOLUTE CAPITAL OPPORTUNITIES FUND									
INSTITUTIONAL SHARES									
03/31/18	\$ 10.97	\$(0.15)	\$1.70	\$1.55	\$—	\$—	\$12.52	14.13%	\$32,338
03/31/17	10.21	(0.16)	0.92	0.76	—	—	10.97	7.44	14,188
03/31/16(c)	10.00	(0.03)	0.24	0.21	—	—	10.21	2.10 (d)	12,221
ABSOLUTE CONVERTIBLE ARBITRAGE FUND									
INSTITUTIONAL SHARES									
03/31/18(f)	\$ 10.00	\$(0.13)	\$0.44	\$0.31	\$(0.02)	\$(0.02)	\$10.29	3.14%(d)	\$56,065

- (a) Calculated based on average shares outstanding during each period.
(b) Reflects the expense ratio excluding any waivers and/or reimbursements.
(c) Commencement of operations was December 30, 2015.
(d) Not annualized.
(e) Annualized.
(f) Commencement of operations was August 14, 2017.

ABSOLUTE FUNDS
FINANCIAL HIGHLIGHTS

Ratios/Supplemental Data (Ratios to Average Net Assets)

Net Investment Income (Loss)	Net Expenses	Dividend and Interest Expenses	Net Expenses without Dividend and Interest Expenses	Gross Expenses	Portfolio Turnover
(0.87)%	2.78%	0.82%	1.96%	2.94%(b)	86%
(0.99)	2.86	0.95	1.91	2.89(b)	72
(1.02)	2.65	0.81	1.84	2.66(b)	70
(0.70)	2.58	0.79	1.79	2.58	78
(0.85)	2.45	0.72	1.73	2.47(b)	75
(1.59)	3.50%	0.83%	2.67%	3.76%(b)	86%
(1.14)	3.50	1.01	2.49	3.52(b)	72
(1.59)	3.23	0.83	2.40	3.24(b)	70
(1.17)	3.09	0.79	2.30	3.09	78
(1.23)	2.92	0.73	2.19	2.93(b)	75
(1.30)%	2.66%	0.86%	1.79%	3.52%(b)	66%
(1.53)	2.62	0.70	1.92	3.70(b)	29
(1.13)(e)	2.20(e)	0.25(e)	1.95(e)	4.37(b)(e)	6(d)
(2.08)(e)	2.23(e)	0.60(e)	1.63(e)	3.13(b)(e)	76%(d)

ABSOLUTE FUNDS

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

Note 1. Organization

Absolute Strategies Fund, Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund (individually, a “Fund” and collectively, the “Funds”) are diversified portfolios 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 each Fund’s shares of beneficial interest without par value. Absolute Strategies Fund currently offers two classes of shares: Institutional Shares and R Shares. Institutional and R Shares commenced operations on July 11, 2005. Absolute Strategies Fund seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low sensitivity to traditional financial market indices, such as the S&P 500 Index. Absolute Capital Opportunities Fund currently offers Institutional Shares. Absolute Capital Opportunities Fund commenced operations on December 30, 2015. Absolute Capital Opportunities Fund seeks to achieve long-term capital appreciation with a lower sensitivity to traditional financial market indices, such as the S&P 500 Index.

The Absolute Convertible Arbitrage Fund commenced operations on August 14, 2017, after it acquired the net assets of the Mohican VCA Fund, LP, a privately offered hedge fund (the “Predecessor Fund”), in exchange for Fund shares. The Predecessor Fund commenced operations in 2002. The Absolute Convertible Arbitrage Fund seeks to achieve positive absolute returns over the long-term with low volatility when compared to traditional market indices. The Predecessor Fund had an investment objective and strategies that were, in all material respects, identical to those of the Absolute Convertible Arbitrage Fund. On August 14, 2017, the Predecessor Fund reorganized into the Absolute Convertible Arbitrage Fund. The reorganization of net assets from this transaction was as follows:

<u>Date of Contribution</u>	<u>Net Assets</u>	<u>Shares</u>	<u>Market Value of Investments</u>
August 14, 2017	\$16,686,633	1,668,929	\$10,790,692

In addition to the securities transferred in, as noted above, \$5,895,941 of cash and other receivables were also transferred in as part of the reorganization.

Note 2. Summary of Significant Accounting Policies

The Funds are investment companies and follow accounting and reporting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, “Financial Services-Investment Companies”. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increases and decreases in net assets from operations during the fiscal year. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of each 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. Futures contracts are valued at the day’s settlement price on the exchange where the contract is traded. Forward currency contracts are generally valued based on interpolation of forward curve data points obtained from major banking institutions that deal in foreign currencies and currency dealers. Exchange-traded options for which the last quoted sale price is outside the closing bid and ask price, will be valued at the mean of the closing bid and ask price. 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.

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Each 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 each Fund's registration statement, performs certain functions as they relate to the administration and oversight of each 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 each 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 each Fund's own assumptions in determining the fair value of investments).

The aggregate value by input level, as of March 31, 2018, for each Fund's investments is included in each Fund's Notes to Schedules of Investments, Securities Sold Short and Call and Put Options Written.

Security Transactions, Investment Income and Realized Gain and Loss – Investment transactions are accounted for on the trade date. Dividend income and expense recorded on the ex-dividend date. Non-cash dividend income is recorded at the fair market value of the securities received. Foreign dividend income and expense 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. Each Fund estimates components of distributions from real estate investment trusts ("REITs"). Distributions received in excess of income are recorded as a reduction of the cost of the related investments.

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

ABSOLUTE FUNDS

NOTES TO FINANCIAL STATEMENTS

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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.

Foreign Currency Transactions – Each Fund may enter into transactions to purchase or sell foreign currency contracts and options on foreign currency. Forward currency contracts are agreements to exchange one currency for another at a future date and at a specified price. A fund may use forward currency contracts to facilitate transactions in foreign securities, to manage a fund's foreign currency exposure and to protect the U.S. dollar value of its underlying portfolio securities against the effect of possible adverse movements in foreign exchange rates. These contracts are intrinsically valued daily based on forward rates, and a fund's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is recorded as a component of NAV. These instruments involve market risk, credit risk, or both kinds of risks, in excess of the amount recognized in the Statements of Assets and Liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates. Due to the risks associated with these transactions, a fund could incur losses up to the entire contract amount, which may exceed the net unrealized value included in its NAV.

Futures Contracts – Each Fund may purchase futures contracts to gain exposure to market changes, which may be more efficient or cost effective than actually buying the securities. A futures contract is an agreement between parties to buy or sell a security at a set price on a future date. Upon entering into such a contract, a fund is required to pledge to the broker an amount of cash, U.S. Government obligations or other high-quality debt securities equal to the minimum "initial margin" requirements of the exchange on which the futures contract is traded. Pursuant to the contract, the fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as "variation margin" and are recorded by the fund as unrealized gains or losses. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and value at the time it was closed. Risks of entering into futures contracts include the possibility that there may be an illiquid market and that a change in the value of the contract may not correlate with changes in the value of the underlying securities.

Notional amounts of each individual futures contract outstanding as of March 31, 2018, for Absolute Strategies Fund, are disclosed in the Notes to Schedule of Investments and Securities Sold Short.

Securities Sold Short – Each Fund may sell a security short to increase investment returns. Each Fund may also sell a security short in anticipation of a decline in the market value of a security. A short sale is a transaction in which the Fund sells a security that it does not own. To complete the transaction, the Fund must borrow the security in order to deliver it to the buyer. The Fund must replace the borrowed security by purchasing it at market price at the time of replacement; the price may be higher or lower than the price at which the Fund sold the security. The Fund incurs a loss from a short sale if the price of the security increases between the date of the short sale and the date on which the Fund replaces the borrowed security. The Fund realizes a profit if the price of the security declines between those dates.

Until the Fund replaces the borrowed security, the Fund will maintain on its books and records cash and long securities to sufficiently cover its short position on a daily basis. The collateral for the securities sold short includes the Deposits with Brokers as shown on the Statements of Assets and Liabilities and the securities held long as shown on the Schedules of Investments. Dividends and interest paid on securities sold short are recorded as an expense on the Statements of Operations.

Purchased Options – When a fund purchases an option, an amount equal to the premium paid by the fund is recorded as an investment and is subsequently adjusted to the current value of the option purchased. If an option expires on the stipulated expiration date or if the fund enters into a closing sale transaction, a gain or loss is realized. If a call option is exercised, the cost of the security acquired is increased by the premium paid for the call. If a put option

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is exercised, a gain or loss is realized from the sale of the underlying security, and the proceeds from such sale are decreased by the premium originally paid. Purchased options are non-income producing securities.

The values of each individual purchased option outstanding as of March 31, 2018, for each Fund, if any, are disclosed in each Fund's Schedule of Investments.

Written Options – When a fund writes an option, an amount equal to the premium received by the fund is recorded as a liability and is subsequently adjusted to the current value of the option written. Premiums received from writing options that expire unexercised are treated by the fund on the expiration date as realized gain from written options. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the fund. The fund, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option. Written options are non-income producing securities.

The values of each individual written option outstanding as of March 31, 2018, for each Fund, if any, are disclosed in each Fund's Schedule of Call and Put Options Written.

Credit Default Swaps – Each Fund may invest in credit default swaps. A credit default swap gives one party (the buyer) the right to recoup the economic value of a decline in the value of debt securities of the reference issuer (including sovereign debt obligations) if a credit event (a downgrade or default) occurs. This value is obtained by delivering a debt security of the reference issuer to the party in return for a previously agreed payment from the other party (frequently, the par value of the debt security). Credit default swaps may require initial premium (discount) payments as well as periodic payments (receipts) related to the interest leg of the swap or to the default of a reference obligation.

If a fund is a seller of a credit default swap contract, the fund would be required to pay the par (or other agreed upon) value of a referenced debt obligation to the counterparty in the event of a default or other credit event by the reference issuer, such as a U.S. or foreign corporate issuer, with respect to such debt obligations. In return, the fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the fund would keep the stream of payments and would have no payment obligations. As the seller, the fund would be subject to investment exposure on the notional amount of the swap.

If a fund is the buyer of a credit default swap contract, the fund would have the right to deliver a referenced debt obligation and receive the par (or other agreed-upon) value of such debt obligation from the counterparty in the event of a default or other credit event (such as a credit downgrade) by the reference issuer, such as a U.S. or foreign corporation, with respect to its debt obligations. In return, the fund would pay the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the counterparty would keep the stream of payments and would have no further obligations to the fund.

As of March 31, 2018, there were no credit default swap agreements outstanding.

Interest Rate Swaps – Each Fund may enter into interest rate swaps for investment purposes to manage exposure to fluctuations in interest rates or to add leverage.

Interest rate swaps represent an agreement between two counterparties to exchange cash flows based on the difference in two interest rates, applied to the notional principal amount for a specified period. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The Fund settles accrued net receivables or payables under the swap contracts on a periodic basis.

The primary risk associated with interest rate swaps is that unfavorable changes in interest rates could adversely impact the Funds.

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The Funds did not enter into any interest rate swaps during the year ended March 31, 2018.

Restricted Securities – Each Fund may invest in securities that are subject to legal or contractual restrictions on resale (“restricted securities”). Restricted securities may be resold in transactions that are exempt from registration under the Federal securities laws or if the securities are registered to the public. The sale or other disposition of these securities may involve additional expenses and the prompt sale of these securities at an acceptable price may be difficult. Information regarding restricted securities held by each Fund is included in their Schedule of Investments, if applicable.

When-Issued Transactions – Each Fund may purchase securities on a forward commitment or ‘when-issued’ basis. A fund records a when-issued transaction on the trade date and will segregate with the custodian qualifying assets that have a value sufficient to make payment for the securities purchased. Securities purchased on a when-issued basis are marked-to-market daily and the fund begins earning interest on the settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

Distributions to Shareholders – Distributions to shareholders of net investment income, if any, are declared and paid semi-annually. Distributions to shareholders of net capital gains and foreign currency gains, if any, are declared and paid at least annually. Distributions to shareholders are recorded on the ex-dividend date. Distributions are based on amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by each Fund, timing differences and differing characterizations of distributions made by each Fund.

Federal Taxes – Each 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 their taxable income to shareholders. In addition, by distributing in each calendar year substantially all of their net investment income and capital gains, if any, the Funds will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. Each Fund files a U.S. federal income and excise tax return as required. Each 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 March 31, 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.

Absolute Strategies 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 each Fund.

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

Offering Costs – Offering costs for the Absolute Convertible Arbitrage Fund of \$71,834 consisted of fees related to the mailing and printing of the initial prospectus, certain startup legal costs, and initial registration filings. Such costs are amortized over a twelve-month period beginning with the commencement of operations of the Absolute Convertible Arbitrage Fund.

ABSOLUTE FUNDS

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

Note 3. Cash – Concentration in Uninsured Account

For cash management purposes, each Fund may concentrate cash with each Fund's custodian. This typically results in cash balances exceeding the Federal Deposit Insurance Corporation ("FDIC") insurance limits. As of March 31, 2018, Absolute Strategies and Absolute Capital Opportunities Fund had a total of \$45,690,161 and \$14,320,805, respectively, at State Street Bank and Trust Company and the Fund's brokers that exceeded the FDIC insurance limit imposed at each institution.

Note 4. Fees and Expenses

Investment Adviser – Absolute Investment Advisers LLC (the "Adviser") is the investment adviser to each Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee from Absolute Strategies Fund, Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund at an annual rate of 1.60%, 1.40% and 1.40%, respectively, of each Fund's average daily net assets. Prior to February 2, 2018, the Adviser received an advisory fee from Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund at an annual rate of 1.60%.

Each sub-advisory fee, calculated as a percentage of each Fund's average daily net assets managed by each subadviser, is paid by the Adviser.

Distribution – Foreside Fund Services, LLC serves as each 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. Absolute Strategies Fund has adopted a Distribution Plan (the "Plan") for R Shares of the Fund in accordance with Rule 12b-1 of the Act. Under the Plan, R Shares are subject to a Rule 12b-1 fee of up to 0.35% of the R Shares average daily net assets; however, currently the Board limits 12b-1 fees on R Shares to 0.25% of average daily net assets.

Other Service Providers – Atlantic provides fund accounting, fund administration, compliance and transfer agency services to each Fund. The fees related to these services are included in Fund services fees within the Statements of Operations. Atlantic also provides certain shareholder report production and EDGAR conversion and filing services. Pursuant to an Atlantic services agreement, each Fund pays Atlantic customary fees for its services. Atlantic provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer and an Anti-Money Laundering Officer to each Fund, as well as certain additional compliance support functions.

Trustees and Officers – Through December 31, 2017, the Trust paid each independent Trustee an annual retainer fee of \$50,000 for service to the Trust (\$66,000 for the Chairman), and the Audit Committee Chairman and Vice Chairman received an additional \$6,000 annually. Effective January 1, 2018, each independent Trustee's annual retainer is \$31,000 (\$41,000 for the Chairman), and the Audit Committee Chairman receives an additional \$2,000 annually. The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees' fees attributable to each 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 each Fund.

Note 5. Expense Reimbursement and Fees Waived

Effective September 29, 2017, the Adviser has contractually agreed to waive its fee and/or reimburse Fund expenses to limit total annual operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses) of Absolute Strategies Fund's Institutional Shares and R Shares to 1.99% and 2.24%, respectively, through August 1, 2019. During the year, Absolute Strategies Fund invested in Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund. As of March 31, 2018, Absolute Strategies Fund owned approximately 59.2% and 52.1% of Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund, respectively. The Adviser has agreed to waive fees in an amount equal to the fee it receives plus all operating expenses, if any, from Absolute Capital

ABSOLUTE FUNDS

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

Opportunities Fund and Absolute Convertible Arbitrage Fund based on Absolute Strategies Fund's investment in Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund. Other Fund service providers have voluntarily agreed to waive a portion of their fees. For the year ended March 31, 2018, the Adviser waived fees of \$529,394 and Other Fund service providers waived fees of \$35,879 for Absolute Strategies Fund.

The Adviser has contractually agreed to waive its fee and/or reimburse expenses to limit total annual operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses) of Absolute Capital Opportunities to 1.75% through August 1, 2019. Prior to February 2, 2018, the Adviser had contractually agreed to waive its fee and/or reimburse expenses to 1.85% on net assets up to \$100 million, 1.75% on net assets between \$100 million and \$200 million, and 1.65% on net assets over \$200 million. The Adviser waived fees of \$136,243 for Absolute Capital Opportunities Fund for the year ended March 31, 2018.

The Adviser has also contractually agreed to waive its fee and/or reimburse expenses to limit total annual operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses) of Absolute Convertible Arbitrage Fund to 1.60% through August 1, 2019. Prior to February 2, 2018, the Adviser had contractually agreed to waive its fee and/or reimburse expenses to 1.75% on net assets up to \$25 million and 1.49% on net assets exceeding \$25 million. Other Fund service providers have voluntarily agreed to waive a portion of their fees. The Adviser waived fees of \$163,671 and Other Fund service providers waived fees of \$15,339, for Absolute Convertible Arbitrage Fund, for the period ended March 31, 2018.

The Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage 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 does not cause the total annual fund operating expenses after fee waiver and/or expense reimbursement of the Funds to 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 March 31, 2018, \$330,692 and \$163,671 for Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund, respectively, is subject to recapture by the Adviser.

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 March 31, 2018, were as follows:

	Non-U.S. Government Obligations	
	Purchases	Sales
Absolute Strategies Fund	\$ 213,981,415	\$ 491,683,224
Absolute Capital Opportunities Fund	18,227,303	6,670,792
Absolute Convertible Arbitrage Fund	51,335,710*	18,856,794

*Amount excludes the in-kind contribution of securities from the Predecessor Fund.

Note 7. Summary of Derivative Activity

The volume of open derivative positions may vary on a daily basis as each Fund transacts derivative contracts in order to achieve the exposure desired by the Adviser. The notional value of activity for the year ended March 31, 2018, for any derivative type during the year is as follows:

	Absolute Strategies Fund	Absolute Capital Opportunities Fund
Forward Currency Contracts	\$ 40,682,989	\$ -
Futures Contracts	4,930,094,295	-
Purchased Options	11,609,655	2,222,807
Written Options	(1,269,739)	(149,038)

ABSOLUTE FUNDS

NOTES TO FINANCIAL STATEMENTS

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Each Fund's use of derivatives for the year ended March 31, 2018, was limited to options, forward currency contracts, futures contracts and credit default swaps.

Following is a summary of the effect of derivatives on the Statements of Assets and Liabilities as of March 31, 2018:

Absolute Strategies Fund

<u>Location:</u>	<u>Equity Risk</u>
Asset derivatives:	
Investments, at value	\$ 687,960

Absolute Capital Opportunities Fund

<u>Location:</u>	<u>Equity Risk</u>
Asset derivatives:	
Investments, at value	\$ 670,093
Liability derivatives:	
Call options written	\$ (26,450)
Put options written	\$ (114,809)
Total liability derivatives	<u>\$ (141,259)</u>

Realized and unrealized gains and losses on derivatives contracts for the year ended March 31, 2018, are recorded by each Fund in the following locations on the Statements of Operations:

Absolute Strategies Fund

<u>Location:</u>	<u>Commodity Contracts</u>	<u>Credit Contracts</u>	<u>Currency Contracts</u>	<u>Equity Contracts</u>	<u>Interest Contracts</u>	<u>Total</u>
Net realized gain (loss) on:						
Investments	\$ -	\$ -	\$ -	\$ (3,088,935)	\$ -	\$ (3,088,935)
Foreign currency transactions	-	-	(6,567)	-	-	(6,567)
Written options	-	-	-	1,567,689	-	1,567,689
Futures	1,324,839	-	707,068	(26,503,735)	536,494	(23,935,334)
Swaps	-	(1,402,368)	-	-	-	(1,402,368)
Total net realized gain (loss)	<u>\$ 1,324,839</u>	<u>\$ (1,402,368)</u>	<u>\$ 707,501</u>	<u>\$ (28,024,981)</u>	<u>\$ 536,494</u>	<u>\$ (25,463,147)</u>
Net change in unrealized appreciation (depreciation) on:						
Investments	\$ -	\$ -	\$ -	\$ 5,908,678	\$ -	\$ 5,908,678
Written options	-	-	-	(708,906)	-	(708,906)
Futures	(298,202)	-	-	4,707,938	(163,243)	4,246,493
Swaps	-	981,271	-	-	-	981,271
Total net change in unrealized appreciation (depreciation)	<u>\$ (298,202)</u>	<u>\$ 981,271</u>	<u>\$ -</u>	<u>\$ 9,907,710</u>	<u>\$ (163,243)</u>	<u>\$ 10,427,536</u>

Absolute Capital Opportunities Fund

<u>Location:</u>	<u>Equity Contracts</u>
Net realized gain (loss) on:	
Investments	\$ 2,466,037
Written options	75,311
Total net realized gain (loss)	<u>\$ 2,541,348</u>
Net change in unrealized appreciation (depreciation) on:	
Investments	\$ (149,346)
Written options	(30,367)
Total net change in unrealized appreciation (depreciation)	<u>\$ (179,713)</u>

ABSOLUTE FUNDS

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MARCH 31, 2018

Asset (Liability) amounts shown in the table below represent amounts for derivative related investments at March 31, 2018. These amounts may be collateralized by cash or financial instruments.

	Gross Asset (Liability) as Presented in the Statement of Assets and Liabilities	Financial Instruments (Received) Pledged*	Cash Collateral (Received) Pledged*	Net Amount
<i>Absolute Strategies Fund</i>				
Assets:				
Over-the-counter derivatives**	\$ 687,960	\$ -	\$ -	\$ 687,960
<i>Absolute Capital Opportunities Fund</i>				
Assets:				
Over-the-counter derivatives**	670,093	-	-	670,093
Liabilities:				
Over-the-counter derivatives**	(141,259)	141,259	-	-

* The actual financial instruments and cash collateral (received) pledged may be in excess of the amounts shown in the table. The table only reflects collateral amounts up to the amount of the financial instrument disclosed on the Statement of Assets and Liabilities.

** Over-the-counter derivatives may consist of options contracts. The amounts disclosed above represent the exposure to one or more counterparties. For further detail on individual derivative contracts and the corresponding unrealized appreciation (depreciation), see the Schedule of Call and Put Options Written.

Note 8. Federal Income Tax

As of March 31, 2018, cost for federal income tax and net unrealized appreciation (depreciation) consists of:

	Tax Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
Absolute Strategies Fund	\$ 111,815,399	\$ 17,903,362	\$ (3,527,034)	\$ 14,376,328
Absolute Capital Opportunities Fund	17,307,516	1,180,952	(1,104,227)	76,725
Absolute Convertible Arbitrage Fund	56,635,814	2,070,909	(2,235,213)	(164,304)

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

	Ordinary Income	Long-Term Capital Gain	Total
<i>Absolute Strategies Fund</i>			
2018	\$ -	\$ -	\$ -
2017	34,763,539	54,132,175	88,895,714
<i>Absolute Capital Opportunities Fund</i>			
2018	-	-	-
2017	-	-	-
<i>Absolute Convertible Arbitrage Fund</i>			
2018	94,585	-	94,585

As of March 31, 2018, distributable earnings (accumulated loss) on a tax basis were as follows:

	Undistributed Ordinary Income	Undistributed Long-Term Gain	Capital and Other Losses	Unrealized Appreciation (Depreciation)	Total
Absolute Strategies Fund	\$ -	\$ -	\$ (39,592,131)	\$ 14,378,712	\$ (25,213,419)
Absolute Capital Opportunities Fund	1,812,983	1,303,026	-	76,751	3,192,760
Absolute Convertible Arbitrage Fund	934,639	-	-	(164,304)	770,335

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statements of Assets and Liabilities are primarily due to wash sales, futures, constructive sales, straddles, cover loss deferrals, short dividends, equity return of capital, convertible bond deemed distributions, partnerships and convertible bond premium.

ABSOLUTE FUNDS

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MARCH 31, 2018

As of March 31, 2018, the Absolute Strategies Fund had \$39,310,239 of available short-term capital loss carryforwards that have no expiration date.

For tax purposes, the current deferred late year ordinary loss was \$281,892 for Absolute Strategies Fund (realized during the period January 1, 2018 through March 31, 2018). These losses were recognized for tax purposes on the first business day of the Fund's current fiscal year, April 1, 2018.

On the Statements of Assets and Liabilities, as a result of permanent book to tax differences, certain amounts have been reclassified for the year ended March 31, 2018. The following reclassifications were the result of book to tax differences resulting from real estate investment trusts, equity return of capital distributions, partnerships, passive foreign investment holdings, straddles, constructive sales, short dividend reclassifications, currency, paydowns, convertible bond deemed distributions, convertible bond premium adjustments, contingent payment debt instruments, credit default swap income, organization cost amortization and net operating losses and has no impact on the net assets of each Fund.

	Undistributed Net Investment Income	Accumulated Net Realized Loss	Paid-in-Capital
Absolute Strategies Fund	\$ 5,375,100	\$ (2,625,514)	\$ (2,749,586)
Absolute Capital Opportunities Fund	247,484	(247,484)	-
Absolute Convertible Arbitrage Fund	725,867	(725,867)	-

Note 9. Underlying Investment in Other Investment Companies

The Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund currently seek to achieve their investment objective by investing a portion of their assets in State Street Institutional Treasury Money Market Fund, Premier Share Class (the "Premier"), a registered open-end management investment company organized as a Massachusetts business trust. The Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund may redeem their investments from Premier at any time if the Adviser determines that it is in the best interest of the Fund and its shareholders to do so. The latest financial statements for Premier can be found at www.sec.gov.

The performance of the Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund may be directly affected by the performance of Premier. As of March 31, 2018, the percentage of net assets invested in Premier was 29.5% and 60.4% for the Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund, respectively.

Note 10. Recent Accounting Pronouncements

In March 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-08, Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities. The amendments in the ASU shorten the amortization period for certain callable debt securities, held at a premium, to be amortized to the earliest call date. The ASU does not require an accounting change for securities held at a discount; which continues to be amortized to maturity. The ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Management is currently evaluating the impact, if any, of applying this provision.

Note 11. 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 each Fund has had no such events.

To the Board of Trustees of Forum Funds
and the Shareholders of Absolute Strategies Fund,
Absolute Capital Opportunities Fund, and Absolute Convertible Arbitrage Fund

Opinion on the Financial Statements

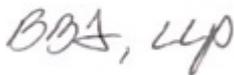
We have audited the accompanying statements of assets and liabilities of Absolute Strategies Fund, Absolute Capital Opportunities Fund, and Absolute Convertible Arbitrage Fund, each a series of shares of beneficial interest in Forum Funds (the "Funds"), including the schedules of investments, as of March 31, 2018, and the related statements of operations for the year or period then ended, the statements of changes in net assets for each of the years or period in the two-year period then ended and the financial highlights for each of the years or periods in the five-year period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as of March 31, 2018, and the results of their operations for the year or period then ended, the changes in their net assets for each of the years or period in the two-year period then ended and their financial highlights for each of the years or periods in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Funds in accordance with the U.S. federal securities law and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of those financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2018 by correspondence with the custodian and brokers, or by other appropriate auditing procedures where replies from brokers were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.



BBD, LLP

We have served as the auditor of one or more of the Funds in the Forum Funds since 2009.

Philadelphia, Pennsylvania
May 30, 2018

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ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2018

Investment Advisory Agreement Approval

At the March 27, 2018 Board meeting, the Board, including the Independent Trustees, considered the approval of a new investment subadvisory agreement between Absolute Investment Advisers LLC (the “Adviser”) and Tortoise Capital Advisors, L.L.C. (the “Subadviser”) pertaining to the Fund (the “Subadvisory Agreement”). The Subadvisory Agreement was being considered in connection with the earlier termination of the original subadvisory agreement between the Adviser and the Subadviser (the “Original Agreement”) in connection with an anticipated change in control transaction involving the Subadviser’s parent entity (“Transaction”). In preparation for its deliberations, the Board requested and reviewed written responses from the Subadviser to due diligence questionnaires circulated on the Board’s behalf concerning the services to be provided by the Subadviser with respect to the portion of the Fund managed by the Subadviser (the “Managed Portion”). In addition, the Board recognized that the Original Agreement between the Adviser and Subadviser had just recently been approved at an in-person meeting of the Board held on December 8, 2017 and, in this regard, the Board considered information provided by the Subadviser at that time. The Board also discussed the materials with Fund counsel and, as necessary, with the Trust’s administrator, Atlantic Fund Services. During its deliberations, the Board received an oral presentation from the Adviser and was advised by Trustee counsel.

Nature, Extent and Quality of Services

The Board received a presentation from senior representatives of the Adviser and discussed the Subadviser’s personnel, operations and financial condition. In this context, the Board considered the adequacy of the Subadviser’s resources and the quality of services to be provided by the Subadviser under the Subadvisory Agreement. The Board reviewed information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at the Subadviser who, under the Original Agreement had, and under the Subadvisory Agreement would continue to have, responsibility for the Managed Portion. The Board considered the Subadviser’s representation that the portfolio managers who were responsible for the Managed Portion under the Original Agreement would continue in that role as portfolio managers under the Subadvisory Agreement and that, notwithstanding turnover on the Subadviser’s investment committee in connection with the Transaction, there would be continuity and stability with respect to the Subadviser’s investment processes. The Board considered the investment philosophy and decision-making processes of the Subadviser and the capability and integrity of the Subadviser’s senior management and staff. The Board also evaluated the anticipated quality of the Subadviser’s services with respect to regulatory compliance and compliance with client investment policies and restrictions. In addition, the Board took into consideration the Adviser’s recommendation that the Board approve the Subadviser. The Board noted the Subadviser’s representation that it is financially stable and able to provide high-quality investment advisory services to the Managed Portion. The Board concluded that, overall, it was satisfied with the nature, extent, and quality of services to be provided to the Managed Portion by the Subadviser under the Subadvisory Agreement.

Performance

Recognizing that the Subadviser was relatively new and had not yet managed the Managed Portion for a meaningful period of time, the Board evaluated the Adviser’s assessment of the Subadviser’s historical performance in managing a strategy similar to the one to be employed for the Managed Portion, noting the Adviser had expressed satisfaction with the performance and had recommended the approval of the Subadvisory Agreement. Based on the Adviser’s evaluation of the Subadviser’s performance and the Adviser’s recommendation that the Board engage the Subadviser, among other relevant facts and circumstances, the Board concluded that the Subadviser’s management of the Managed Portion could benefit the Fund and its shareholders.

Compensation

The Board reviewed the Subadviser’s proposed compensation for providing subadvisory services to the Fund and noted that the total advisory fee paid by the Fund would not change because the subadvisory fees are paid by the Adviser and not the Fund. The Board considered information regarding the proposed compensation to be paid to the Subadviser by the Adviser and also noted the arm’s-length nature of the relationship between the Adviser and the

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2018

Subadviser with respect to the negotiation of such subadvisory fee rate. As a result, the Board concluded that the compensation to be paid to the Subadviser for providing subadvisory services to the Fund was not a material factor in considering the approval of the Subadvisory Agreement.

Cost of Services and Profitability

The Board noted that the Adviser, and not the Fund, was responsible for paying the subadvisory fees due under the Subadvisory Agreement. In that regard, the Board emphasized the arm's length nature of the relationship between the Adviser and the Subadviser with respect to the negotiation of the subadvisory fee rate that would apply. The Board concluded that the Subadviser's anticipated profitability was not a material factor in determining whether or not to approve the Subadvisory Agreement.

Economies of Scale

The Board considered whether the Fund would benefit from any economies of scale with respect to the Subadvisory Agreement. The Board noted that because the Adviser, and not the Fund, pays the subadvisory fee, shareholders would not benefit from any economies of scale in the form of breakpoints in the subadvisory fee rate. Based on the foregoing information and other materials presented, the Board concluded that economies of scale were not a material factor in approving the Subadvisory Agreement.

Other Benefits

The Board noted the Subadviser's representation that, aside from its contractual subadvisory fees, it could benefit from its relationship with the Fund by way of additional market exposure. The Board concluded that other benefits accrued by the Subadviser were not a material factor in approving the Subadvisory Agreement.

Conclusion

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors; however, in light of the fact that the Fund is a multi-manager Fund for which the Adviser identifies subadvisers whose strategies it seeks to combine to achieve the Fund's investment objective, the Board gave significant weight to the Adviser's recommendation that the Subadviser be appointed as a subadviser to the Fund and to the Adviser's representation that the appointment of the Subadviser would positively contribute to the Adviser successfully executing the overall strategy of the Fund. Based on its review, including consideration of each of the factors referenced above, the Board (including a majority of the Independent Trustees) determined, in the exercise of its reasonable business judgment, that the subadvisory arrangement, as outlined in the Subadvisory Agreement, was fair and reasonable in light of the services to be performed, expenses to be incurred by the Fund and such other matters as the Board considered relevant.

Shareholder Proxy Vote

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

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

Proxy Voting Information

A description of the policies and procedures that each Fund uses to determine how to vote proxies relating to securities held in each Fund's portfolio is available, without charge and upon request, by calling (888) 992-2765 and

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

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on the U.S. Securities and Exchange Commission's (the "SEC") website at www.sec.gov. Each Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (888) 992-2765 and on the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

Each 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 Funds, you incur ongoing costs, including management fees, distribution (12b-1) fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds 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 October 1, 2017 through March 31, 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 each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each 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 each 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.

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2018

	Beginning Account Value October 1, 2017	Ending Account Value March 31, 2018	Expenses Paid During Period*	Annualized Expense Ratio*
Absolute Strategies Fund				
Institutional Shares				
Actual	\$ 1,000.00	\$ 1,000.00	\$ 10.37	2.08%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,014.56	\$ 10.45	2.08%
R Shares				
Actual	\$ 1,000.00	\$ 1,000.00	\$ 15.26	3.06%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,009.67	\$ 15.33	3.06%
Absolute Capital Opportunities Fund				
Actual	\$ 1,000.00	\$ 1,123.88	\$ 9.27	1.75%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,016.21	\$ 8.80	1.75%
Absolute Convertible Arbitrage Fund				
Actual	\$ 1,000.00	\$ 1,021.22	\$ 8.26	1.64%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,016.75	\$ 13.09	1.64%

* 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 (182) 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 Absolute Convertible Arbitrage Fund designates 100.00% of its income dividends as short term capital gain dividends exempt from U.S. tax for foreign shareholders (QSD).

Trustees and Officers of the Trust

The Board is responsible for oversight of the management of the Trust's business affairs and of the exercise of all the Trust's powers except those reserved for the shareholders. The following table provides information about each Trustee and certain officers of the Trust. Each Trustee and officer holds office until the person resigns, is removed, or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is Three Canal Plaza, Suite 600, Portland, Maine 04101. Each Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (888) 992-2765.

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Series in Fund Complex Overseen By Trustee	Other Directorships Held By Trustee During Past Five Years
Independent Trustees					
David Tucker Born: 1958	Trustee; Chairman of the Board	Since 2011 and Chairman since 2018	Director, Blue Sky Experience (a charitable endeavor) since 2008; Senior Vice President & General Counsel, American Century Companies (an investment management firm) 1998-2008.	3	Trustee, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2018

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Series in Fund Complex Overseen By Trustee	Other Directorships Held By Trustee During Past Five Years
Mark D. Moyer Born: 1959	Trustee	Since 2018	Chief Financial Officer, Freedom House (a NGO advocating political freedom and democracy) since 2017; independent consultant providing interim CFO services, principally to non-profit organizations, 2011-2017; Chief Financial Officer, Institute of International Education (a NGO administering international educational exchange programs), 2008-2011; Chief Financial Officer and Chief Restructuring Officer, Ziff Davis Media Inc. (an integrated media company), 2005-2008; Adjunct Professor of Accounting, Fairfield University from 2009-2012.	3	Trustee, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds
Jennifer Brown-Strabley Born: 1964	Trustee	Since 2018	Principal, Portland Global Advisors, 1996-2010.	3	Trustee, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds
Interested Trustee					
Stacey E. Hong ⁽¹⁾ Born: 1966	Trustee	Since 2018	President, Atlantic since 2008.	3	Trustee, Forum Funds II and U.S. Global Investors Funds
Jessica Chase ⁽¹⁾ Born: 1970	Trustee	Since 2018	Senior Vice President, Atlantic since 2008.	3	None

⁽¹⁾Stacey E. Hong is currently treated as an interested person of the Trust, as defined in the 1940 Act, due to his affiliation with Atlantic. Jessica Chase is currently treated as an interested person of the Trust, as defined in the 1940 Act, due to her affiliation with Atlantic and her role as President of the Trust.

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2018

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years
Officers			
Jessica Chase Born: 1970	President; Principal Executive Officer	Since 2015	Senior Vice President, Atlantic since 2008.
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Atlantic since 2008.
Zachary Tackett Born: 1988	Vice President; Secretary and Anti-Money Laundering Compliance Officer	Since 2014	Counsel, Atlantic since 2014; Intern Associate, Coakley & Hyde, PLLC, 2010-2013.
Michael J. McKeen Born: 1971	Vice President	Since 2009	Senior Vice President, Atlantic since 2008.
Timothy Bowden Born: 1969	Vice President	Since 2009	Manager, Atlantic since 2008.
Geoffrey Ney Born: 1975	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.
Todd Proulx Born: 1978	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.
Carlyn Edgar Born: 1963	Vice President	Since 2008	Senior Vice President, Atlantic since 2008; Chief Compliance Officer, 2008-2016
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

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This report is submitted for the general information of the shareholders of the Funds. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Funds' risks, objectives, fees and expenses, experience of its managements and other information.