
AUXIER FOCUS FUND

Annual Report

June 30, 2021

Fund Adviser:

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A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

JUNE 30, 2021

Market Commentary

The market and economy continued a strong rebound during the second quarter as COVID restrictions eased further. The 7-day moving average for new COVID cases in the US recently reached its lowest level since the start of the pandemic. However, the spike in the Delta variant is adding headline uncertainty. Economic growth has been strong thanks to vaccine distribution efforts, businesses reopening and emergency fiscal and monetary stimulus. JPMorgan estimates full-year US GDP growth of around 6%, the highest since 1984. The ten-year treasury bond yields less than 1.5%. Back in 1984 we were buying Washington State general obligation bonds yielding 10% when the GDP had similar readings. Retail sales are 20% higher than pre-COVID levels, indicating strong consumer spending and sentiment. Back-to-school spending should be boosted with the liberalized Child Tax Credit (CTC). Nearly 70% of US economic growth is tied to consumer spending. The housing market fundamentals are benefiting from record low mortgage rates, surging demand from millennials, buy-to-rent institutions, foreign buyers and Airbnb conversions. In addition, the pandemic and technology advances enabled millions to work at least part time from home, adding unanticipated demand from the migration out of the major cities. Home equity values now exceed \$22 trillion.

We continue to meet with numerous management teams and see powerful earnings on the back of companies that have scale and have been aggressively digitizing, with a focus on improving the customer experience. The pricing power has been the strongest I have seen in my career across most industries. Surprisingly, margins have held up as well.

Inflation

The pandemic put a strain on global supply chains which has resulted in dramatic price increases in the shipping container space. According to research from Sea-Intelligence, the average price to ship a 40-foot container has increased by more than fourfold to \$8,399 as of July 1. Some short-term rates have exceeded \$25,000. Global vendors like Amazon cannot afford to delay their shipping in hopes of better rates and so they have been forced to pay these elevated prices, which has boosted global shipping companies. The leading container company Textainer has had tremendous operating results. Philip Damas, head of supply chain advisory at Drewry, expects that the strains on the container shipping industry will remain in place until early 2022. Ironically, just as consumers get used to online shopping, the cost of transportation is soaring. The American Trucking Association projects a shortage of 100,000 drivers by 2023. Numerous CEOs are echoing the price pressures that seem to be accelerating. Unemployment benefits have been so attractive that it has been difficult to motivate workers to return, prolonging bottlenecks.

The ongoing microchip shortage has caused the used car market in the US to heat up as new car inventory in the US was 54% lower in June 2021 versus June 2019, which has boosted demand for used vehicles. Prices are up 40% more than in February of 2020 before the peak of the pandemic. The average 9-year-old vehicle sold for \$13,250 in June, which is approximately up 30% over June 2020. Microchips are a critical component of nearly every electronic device in the world so the shortage of new cars could continue for some time.

So far, we are seeing most businesses raise prices and consumers willing to pay up. This has contributed to a tremendous broad-based earnings improvement for our portfolio companies.

The dollar has depreciated over 85% the past 50 years. Purchasing power risk is hidden as people mistakenly perceive safety in fixed income. Today we are seeing negative real yields all the way out 30 years as inflation is running over 5.3%. Owning businesses is a better bet. However, you can't just pay any price for stocks as higher inflation tends to compress P/E ratios. In 1972, conventional wisdom was to simply buy the 50 most popular stocks known as the "Nifty Fifty." The idea was to buy, hold and forget. In the frenzy the stocks traded over 80 times earnings on average. Then, despite strong earnings, a surge in oil and inflation crushed valuations leading to a 70%-90% decline for the group. A good general rule for a market multiple has been 20 less the inflation rate. In 1979, with 11% inflation the P/E of the market sunk below 10.

It appears the current inflation is understated, especially if you add back energy, food and housing which are all excluded. The consumer price index (CPI) only includes the rent component of housing; however, rents are now catching up too. Invitation Homes, the largest single-family landlord in the nation, recently boosted rents by 8% across the country. Back in the 1970s, Fed chairman Arthur Burns claimed that rising inflation was nothing to worry about—it was "transitory" and best ignored. When oil quadrupled, they solved the problem by taking oil out of the index. Food prices, a 25% weighting, soared and were also removed. So was housing, a 16% weight. The Dow hit 1,000 in 1972 and was flat until 1983. As cost price pressure hits, consumer wage expectations and compensation demands go up, which are hard to reverse—especially in areas difficult to digitize like skilled labor. Historically, government intervention in the form of wars, extreme socialism and confiscations have contributed to supply disruptions and higher inflation. After the American Civil War, inflation drove interest rates to 20%. When Zimbabwe confiscated private farms their inflation soared 3000%. As Venezuela nationalized most of their businesses inflation exceeded 500%. Inflation in Argentina

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recently gained 70% as the government interrupted free markets and politics moved to the extreme left. Domestically, recent bans on natural gas turbines and pipelines have led to a reduction in fossil fuel capital investment which should contribute to higher sustained power prices. Over the years, societies with free market competition and innovation have generally kept inflation in check. However, heavy-handed socialism is a recipe for more permanent price increases. The potential for the Delta variant could further extend the interruption in supply chains.

Companies That Can Thrive During Inflationary Periods

When I started in the business, inflation was one of the biggest headline worries. I initially went back over the prior 80 years and studied the types of businesses that could survive, thrive and outperform during high inflation. Generally, undervalued companies that had powerful brands with freedom to price, consistent and growing demand, rapid inventory turns and high returns on invested capital with low mandatory capital expenditures tended to outperform. Drug stores and supermarkets with low ticket necessities were notable winners. Investment selection becomes much more important as higher inflation can put a lid on valuations. Often markets can become rangebound and can go flat for years. In 1983 when the Dow rallied to 1,000, I remember experienced investors wanting to sell out as the market had been stuck in a narrow trading range for the prior 18 years with 1,000 the top. A higher inflationary environment is not a friendly environment for the “growth at any price” momentum approach. Making an exceptional buy becomes much more important as inflation acts as a headwind to breakout valuations.

Kroger Shows Confidence Amid Fears of Rising Inflation

Kroger is an example of an inexpensive (13 P/E), low expectation stock that has survived well during periods of higher inflation. The company turns over inventories 14 times a year, which helps to maintain a high return on invested capital and pricing power. They recently recorded another strong quarter and beat consensus estimates for both revenue and non-GAAP (generally accepted accounting principles) EPS. Kroger has been able to maintain their momentum despite the lifting of pandemic restrictions and restaurant re-openings. Digital sales continued to grow, up 16% on the quarter and 108% over the last two years. Due to their success this quarter, the board announced a new \$1 billion share repurchase program. Management also raised their guidance for full-year 2021 adjusted EPS to \$2.95-\$3.10, up from their previous guidance of \$2.75-\$2.95. Since Amazon’s acquisition of Whole Foods in 2017, some investors have feared that Kroger would begin to lose market share to the e-commerce giant. The pandemic has bolstered their position as a leader in the US grocery market with an 11.7% share. Despite all the fear surrounding Amazon’s Whole Foods purchase, they have only been able to amass a market share of 2.6% since entering the grocery space. Management has also addressed fears that future inflation could dampen growth, stating that they operate at their best when the inflation rate is around 3%-4% and more shoppers move away from large brands, opting for Kroger’s lower-cost private label options. Kroger also continues to build their Ocado automated warehouses that will greatly enhance the company’s delivery capabilities and allow them to better compete with e-commerce giants like Walmart and Amazon. In addition, they are well positioned to benefit from the robust back-to-school market this fall.

Reality of Automation in the Auto Industry

The advancement of AI technology has increased interest in developing self-driving cars and has led to over \$120 billion in investments from 2017 to 2019, according to research from McKinsey. Companies like Tesla, Uber and Lyft have bet big on driverless technology, but it may take longer than expected before fully autonomous vehicles are available to consumers. Elon Musk, CEO of Tesla, recently stated that creating AI programs that can adapt to complex roadways and unpredictable human drivers has proven to be a greater challenge than they originally thought. Tesla is still committed to the technology as they continue to test an advanced beta version of their self-driving software that Musk believes could one day solve the challenge of autonomous vehicles without the use of expensive lidar and radar sensors. Companies like Alphabet’s Waymo have been able to achieve fully autonomous vehicles using lidar sensors and highly detailed maps of specific areas around Phoenix, Arizona. However, this approach will likely be difficult to scale and could be cost-prohibitive for the average consumer. It remains to be seen if these challenges will be solved any time soon, and companies may be better off investing in safe and effective driver assist systems until AI technology advances further. McKinsey also estimates that any company that intends to remain competitive in the driverless car market could potentially have to invest \$70 billion through 2030. As always, talk is cheap, and it is important to look past the hype and focus on execution.

Value Potential

In 2000, Yahoo and AOL were two of the most exciting technology stocks that were going to transform the world. In the dot com mania they reached a combined valuation in excess of \$250 billion. This year Verizon sold both companies to Apollo Global Management for \$5 billion—a 98% decline. AT&T acquired DIRECTV for \$49 billion in 2015 and recently sold 30% of the

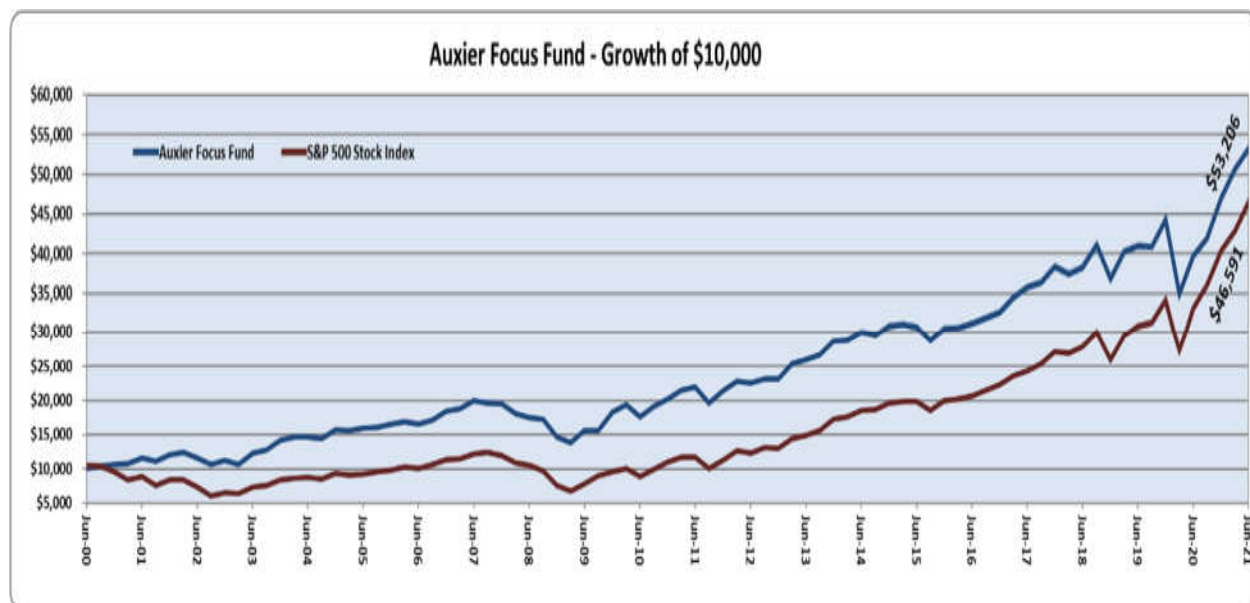
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business for \$1.8 billion. Overpaying and overborrowing are the recurring sins that consistently destroy shareholder capital. Just like in 2000, the spread between the cheapest and most expensive stocks is now one of the widest in history. Historically, the Russell 1000 Growth Index trades at a 5.6 times point premium over the Value Index but is currently trading at a 10.3 premium. We expect a reversion to the mean, especially if the economy broadens and inflation continues to rise.

Performance Update



Auxier Focus Fund's Investor Class returned 4.91% in the second quarter vs. 8.55% for the cap-weighted S&P 500® Index and 5.08% for the DJIA. The equal-weight S&P 500 returned 6.90%. Small stocks as measured by the Russell 2000 were up 4.29%. The MSCI Emerging Markets Index gained 5.05%. A 60/40 S&P 500 and Bloomberg Barclays US Aggregate blended index returned 5.84% and bonds, as measured by the Bloomberg Barclays US Aggregate Bond Index, returned 1.83% for the quarter. Stocks in the Fund comprised 96.3% of the portfolio. The equity breakdown was 85.1% domestic and 11.2% foreign, with 3.7% in cash and short-term debt instruments. A hypothetical \$10,000 investment in the Fund since inception in July 1999 to June 30, 2021 is now worth \$53,206 vs. \$46,591 for the S&P 500. The equities in the Fund (entire portfolio, not share class specific) have had a cumulative return of 775.05% since inception and the Fund as a whole has had a cumulative return of 432.05% vs. 365.91% for the S&P. This was achieved with an average exposure to the market of less than 80.6% over the entire period.

Auxier Focus Fund – Investor Class
Average Annual Total Returns (06/30/2021)
Since Inception (07/09/1999) 7.90%
10-year 9.27%
5-year 11.23%
1-year 34.03%
3-month 4.91%

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 an investor's shares, when redeemed, may be worth more or less than original cost. As stated in the current prospectus, the Fund's Investor Class Share's annual operating expense ratio (gross) is 1.10%. The Fund's adviser has contractually agreed to waive a portion of its fee and/or reimburse Fund expenses to limit total annual operating expenses at 0.92%, which is in effect until October 31, 2021. Other share classes may vary. The Fund charges a 2.00% redemption fee on shares redeemed within 180 days of purchase. For the most recent month-end performance, please call (877) 328-9437 or visit the Adviser's website at www.auxierasset.com.

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Contributors: Our outlook on a cross section of positions with a positive impact on the portfolio for the period ended 6/30/2021.

Microsoft (MSFT)

As a tech-focused company, Microsoft has benefited from digitization and the shift to working from home that was accelerated by the pandemic. Since 2017, revenue has grown by at least 10% every quarter and that has continued this year. Microsoft Teams, the company's virtual collaboration tool, now has over 145 million daily active users around the world. This is up from just 32 million daily active users back in March of 2020. Microsoft management believes that the pandemic will forever change how people work and learn, and that their software and cloud services will enjoy improving fundamentals from this change in the long term. Azure cloud revenue has grown over 40% every quarter for well over three years now. As the second largest cloud player in the world, Microsoft's scale in the Cloud industry will be hard for smaller competitors to replicate any time soon.

Philip Morris International, Inc. (PM)

Philip Morris is executing on their transition towards more smoke-free products. The success of their heated tobacco product IQOS has led their smoke-free portfolio to account for nearly 30% of total revenues. Management expects that heat-not-burn products will account for about 40% of total revenue by 2023. Volumes for their IQOS device are growing in the double-digit percentages every quarter. Philip Morris is targeting a compound annual growth rate for EPS of 9% from 2021 through 2023. The company maintains a strong dividend with a yield that has remained above 4% since 2018 and they have increased the payout for 12 consecutive years. It ranks as one of the top performing stocks in the market since 1926.

Top Equity Holdings	% Assets
UnitedHealth Group, Inc.	6.1%
Mastercard, Inc.	5.8%
Microsoft Corp.	5.6%
Medtronic PLC	3.9%
Phillip Morris International	3.2%
Bank of America Corp.	3.2%
Bank of New York Mellon Corp	2.9%
Kroger Co.	2.9%
Johnson & Johnson	2.9%
Kroger Co.	2.9%
Visa, Inc.	2.7%

Biogen, Inc. (BIIB)

Biogen stock had an incredible quarter and was up 24.24% due to the approval of their Alzheimer's drug Aduhelm. This is the first new treatment approved for Alzheimer's in nearly two decades. Alzheimer's is the sixth leading cause of death in the US and affects more than 30 million people worldwide. Due to few treatment options for the disease, Biogen anticipates that Aduhelm will grow into a multibillion-dollar product over the next several years. Bernstein analysts estimate that Aduhelm could reach peak sales of \$10 billion, which would lead to record levels of revenue for Biogen. Along with their work on Aduhelm, Biogen will continue to invest in other areas of need such as neurodegenerative diseases and retinal disorders. The company expects to invest \$2.3 billion to \$2.4 billion into research and development in 2021. Biogen is committed to returning capital to shareholders through share repurchases as they have \$4 billion of authorized share repurchases remaining.

Alphabet, Inc. (GOOGL)

Alphabet continues to benefit from the strength of Google Search, which controls over 90% of the global online search market. There are over four billion internet users worldwide and Google is the dominating presence in the global online space. Alphabet owns Google.com and YouTube.com, the #1 and #2 most visited websites in the world. Google gathers large amounts of data from their users, enabling them to advertise more effectively than their competitors. Alphabet benefits from a network effect and as their userbase grows, more advertisers will be drawn to their services. They maintain a solid balance sheet with over \$120 billion in cash, allowing them to continue to invest in new products and technologies such as their cloud service which is now a top five player globally. Alphabet is also actively investing in the areas of drone delivery, autonomous vehicles and quantum computing. The company is buying back \$50 billion of their stock.

UnitedHealth Group Inc. (UNH)

As the largest private health insurance provider in the US, UnitedHealth has proven to be resilient to uncertain market environments. The company also has a top three pharmacy benefits manager with OptumRx. UnitedHealth's integrated strategy has led to consistent performance with revenue growing every quarter for over 20 years now, including during the 2008 financial crisis and the COVID-19 pandemic. The company's scale and integration also create cost advantages that make it hard for smaller competitors to take substantial market share. Analysts call for earnings per share of \$18.57 for 2021 and \$21.37 for 2022. Management is targeting

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13%-16% earnings growth for the long term. UnitedHealth recently announced their plan to acquire Change Healthcare for \$13 billion, which would strengthen their digital health capabilities.

Detractors to the period: Our outlook on a cross section of portfolio positions with a negative return for the period ended 6/30/2021:

Discovery Communications, Inc. (DISCA)

Discovery has had dramatic moves in stock price this quarter, mainly due to a major blow up of the hedge fund Archegos and the announcement of a merger with AT&T's WarnerMedia. The combined company, which should be finalized in a year, puts a current EBITDA multiple under 10x. Amazon just paid close to 40x for MGM. With lots of streaming competition, the market has been uncertain about how well Discovery and WarnerMedia will perform. However, John Malone is a major investor with an excellent track record. We have held his companies for over 20 years. We expect further consolidation in streaming with the new Warner Bros. Discovery, an attractive candidate due to their global franchise.

Johnson & Johnson. (JNJ)

Though Johnson & Johnson underperformed during the quarter, the company is seeing a boost to sales and earnings as virus-related restrictions are lifted. The second quarter saw record levels of both sales and earnings thanks in large part to previously deferred medical procedures being completed. Johnson & Johnson expects to produce up to 600 million doses of its COVID vaccine in 2021 though, unlike Pfizer and Moderna, they do not expect to make a profit on the sale of the vaccine. Management has increased their full-year guidance and now expects EPS of \$9.60-\$9.70 and base business sales growth of 10.5%-11.5%. Johnson & Johnson continues to invest heavily in their future growth with one of the top 10 largest pharmaceutical pipelines in the world. The company also has a solid history of returning capital to shareholders with 59 consecutive years of dividend growth.

Mastercard, Inc. (MA)

Concern over the Delta variant of COVID-19 spreading and hampering travel has been reflected in Mastercard's performance this quarter. Cross-border transactions have suffered. However, unless lockdowns are reinstated, we don't see Mastercard's growth slowing down. They continue to be a duopoly with Visa, controlling the toll road of payments. They are relentlessly focused on the future. Mastercard's CEO was quoted saying, "If you wandered around the office and asked people, from the junior most employee, to the employee who has been here 35 years, 'what do you think Mastercard's mission is?' they will say 'killing cash.' It's embedded in everything that we're doing. And it's not mixed in with other things. Our mission is to kill cash."

Abbott Laboratories (ABT)

After having benefited from COVID testing this past year, Abbott Labs fell when it guided for lower earnings due to decreased demand in equipment. Abbott has a fortress balance sheet and has grown earnings at 17% annually over the last five years. Innovative products like the FreeStyle Libre blood glucose monitor franchise continue to drive growth. Healthcare stocks in general have lagged this year and we see many names that sell at the cheapest valuation versus the market in over 20 years, despite favorable demand demographics.

Corning Incorporated (GLW)

Corning pared back gains after having a nice 25% runup from the start of the year. Corning makes everything from the glass that is on iPhones, to pharmaceutical vials, to their largest business segment, which is focused on 5G specialized fiber, an area of strong future growth. Their advanced fiber technology is only matched by one other competitor, YOFC, who charges more for a similar product.

In Closing

We strongly believe that investing is "the craft of the specific." There has been such a proliferation of passive pools and ETFs that nobody truly knows what they own. The real advantage of following an active, rigorous research approach covering hundreds of individual companies and managements comes when we hit long periods of flat to declining markets. In the 20th century, the Dow went up 180-fold. However, while the market rose for 43.75 years it was down for 56.25 years. During the period 1900-1921 the Dow rose from 66 to 71, less than 10% over 21 years. Between September 1929 and December 1948, the Dow declined from 381 to 180, over 50% in 19 years. For the years 1964-1981 the Dow gained one point from 874 to 875. More recently Tokyo's Nikkei 225 plunged from a high of 38,915 at year-end 1989 to 7,862 by March of 2003. Being passive works great in raging bull markets,

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but in the flat-to-down periods returns are much more dependent on well-researched individual buys. Knowing intimately what you own, what to buy and when to buy is where the years of cumulative knowledge become valuable.

We appreciate your trust.

Jeff Auxier

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

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

Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 market-capitalization-weighted widely held common stocks. The Dow Jones Industrial Average is a price weighted index designed to represent the stock performance of large, well-known U.S. companies within the utilities industry. The S&P 500 Equal Weight Index (EWI) is the equal-weight version of the widely used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight (0.2%) of the index total at each quarterly rebalance. The MSCI Emerging Market Index captures mid and large caps across more than two dozen emerging market countries. The index is a float-adjusted market capitalization index and represents 13% of global market capitalization. The 60/40 Hybrid of S&P 500 and Bloomberg Barclays U.S. Aggregate Bond Index is a blend of 60% S&P 500 Composite Index and 40% Barclays U.S. Aggregate Bond Index, as calculated by the adviser, and is not available for direct investment. The Bloomberg Barclays US Aggregate Bond Index, or the Agg, is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. The Russell 1000 Value Index refers to a composite of large and mid-cap companies located in the United States that also exhibit a value probability. The Russell 1000 Growth Index measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. One cannot invest directly in an index or average.

EBITDA, or earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock.

The price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings (EPS).

The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care.

Return on invested capital (ROIC) is a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments.

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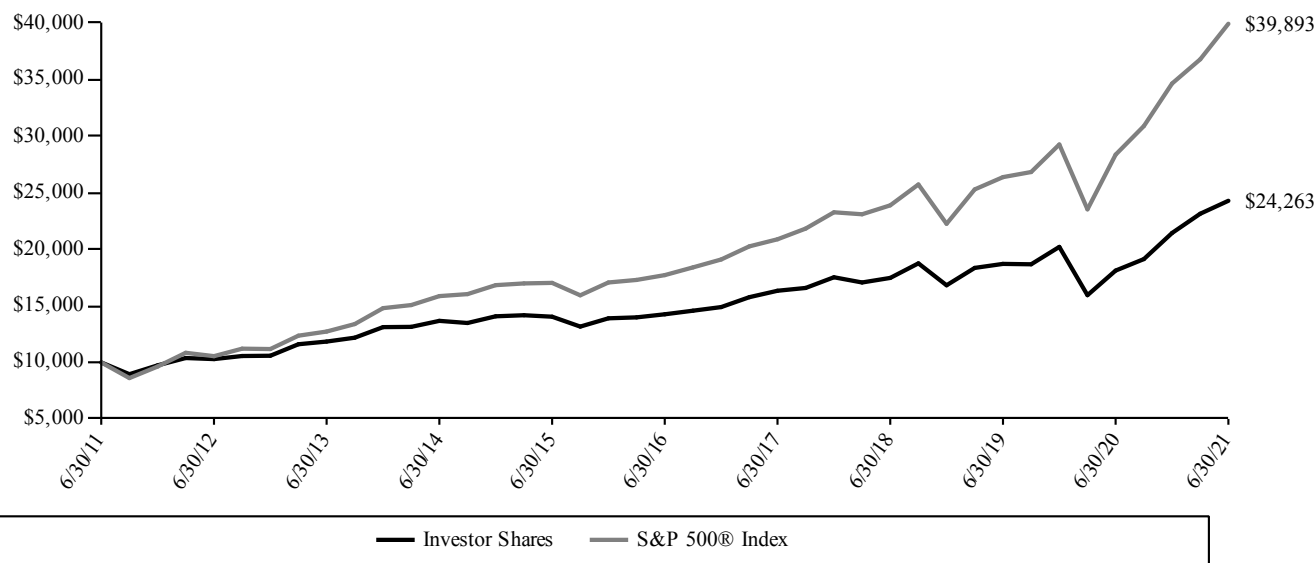
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The views in this shareholder letter were those of the Fund Manager as of the letter's publication date and may not reflect his views on the date this letter is first distributed or anytime thereafter. These views are intended to assist readers in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

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PERFORMANCE CHART AND ANALYSIS (Unaudited)
JUNE 30, 2021

The following chart reflects the change in the value of a hypothetical \$10,000 investment in Investor Shares, including reinvested dividends and distributions, in the Auxier Focus Fund (the “Fund”) compared with the performance of the benchmark, the S&P 500® Index (“S&P 500”), over the past ten fiscal years. The S&P 500 is a broad-based measurement of the U.S. stock market based on the performance of 500 widely held large capitalization common stocks. The total return of the Fund’s classes includes the maximum sales charge of 5.75% (A Shares only) and operating expenses that reduce returns, while the total return of the S&P 500® does not include the effect of sales charges and expenses. A Shares are subject to a 1.00% contingent deferred sales charge on shares purchased without an initial sales charge and redeemed less than one year after purchase. The total return of the index 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 index does not include expenses. The Fund is professionally managed, while the index is unmanaged and is not available for investment.

**Comparison of Change in Value of a \$10,000 Investment
Investor Shares vs. S&P 500® Index**



Average Annual Total Returns

Periods Ended June 30, 2021	One Year	Five Years	Ten Years	Since Inception ⁽¹⁾
Investor Shares	34.03%	11.23%	9.27%	7.90%
S&P 500® Index (Since July 9, 1999)	40.79%	17.65%	14.84%	7.25%
A Shares (with sales charge) ⁽²⁾⁽³⁾	25.91%	9.62%	8.46%	7.54%
Institutional Shares ⁽³⁾	34.19%	11.41%	9.45%	7.99%

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

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

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

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. As stated in the Fund’s prospectus, the annual operating expense ratios (gross) for Investor Shares, A Shares and Institutional Shares are 1.10%, 1.51% and 1.10%, 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 expenses on short sales, and extraordinary expenses) to 0.92%, 1.25% and 0.80% of the Investor Shares, A Shares and Institutional Shares, respectively, through October 31, 2021 (the “Expense Cap”). The Expense Cap may be raised or eliminated only with the consent of the Board of Trustees. 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 and (ii) the Expense Cap in place at the time the fees/expenses were waived/reimbursed. Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement will increase if exclusions from the Expense Cap apply. Shares redeemed or exchanged within 180 days of purchase will be charged a 2.00% redemption fee. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized. For the most recent month-end performance, please call (877) 328-9437 or visit www.auxierasset.com.

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

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SCHEDULE OF INVESTMENTS
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Shares	Security Description	Value	Shares	Security Description	Value
Common Stock - 96.3%			Financials - 23.4% (continued)		
Communications - 0.7%			2,025	Marsh & McLennan Cos., Inc.	\$ 284,877
68,275	America Movil SAB de CV, ADR	\$ 1,024,125	41,315	Mastercard, Inc., Class A	15,083,693
1,719	Cisco Systems, Inc./Delaware	91,107	1,100	PayPal Holdings, Inc. ^(a)	320,628
14,750	Lumen Technologies, Inc.	200,452	150,625	The Bank of New York Mellon Corp.	7,716,519
53,642	Telefonica SA, ADR	252,117	18,918	The Travelers Cos., Inc.	2,832,214
4,081	ViacomCBS, Inc., Class B	184,462	3,200	U.S. Bancorp	182,304
		<u>1,752,263</u>	15,249	Unum Group	433,072
Consumer Cyclical - 1.8%			30,600	Visa, Inc., Class A	7,154,892
3,576	Alibaba Group Holding, Ltd., ADR ^(a)	810,965	6,200	Wells Fargo & Co.	280,798
1,241	Booking Holdings, Inc. ^(a)	2,715,420			<u>61,314,795</u>
13,675	DR Horton, Inc.	1,235,810	Health Care - 25.9%		
		<u>4,762,195</u>	38,299	Abbott Laboratories	4,440,003
Consumer Discretionary - 7.6%			3,663	AbbVie, Inc.	412,600
148,588	Arcos Dorados Holdings, Inc., Class A ^(a)	887,070	18,731	Anthem, Inc.	7,151,496
34,000	Beck's SAB de CV	90,447	8,500	Becton Dickinson and Co.	2,067,115
45,908	Comcast Corp., Class A	2,617,674	10,250	Biogen, Inc. ^(a)	3,549,268
15,575	CVS Health Corp.	1,299,578	13,990	Cigna Corp.	3,316,609
88,527	Discovery, Inc., Class A ^(a)	2,716,008	46,210	Johnson & Johnson	7,612,635
4,641	Discovery, Inc., Class C ^(a)	134,496	81,368	Medtronic PLC	10,100,210
100	Domino's Pizza, Inc.	46,649	73,704	Merck & Co., Inc.	5,731,960
16,250	General Motors Co. ^(a)	961,513	8,370	Organon & Co. ^(a)	253,276
185,644	Lincoln Educational Services Corp. ^(a)	1,444,310	6,282	Pfizer, Inc.	246,003
17,725	Lowe's Cos., Inc.	3,438,118	21,337	Quest Diagnostics, Inc.	2,815,844
4,756	McDonald's Corp.	1,098,589	39,676	UnitedHealth Group, Inc.	15,887,858
48,302	Sally Beauty Holdings, Inc. ^(a)	1,066,025	903	Viatis, Inc.	12,904
3,870	The Home Depot, Inc.	1,234,104	26,750	Zimmer Biomet Holdings, Inc.	4,301,935
12,850	Walmart, Inc.	1,812,107			<u>67,899,716</u>
4,550	Yum China Holdings, Inc.	301,438	Industrials - 5.0%		
7,050	Yum! Brands, Inc.	810,962	30,135	CAE, Inc. ^(a)	928,158
		<u>19,959,088</u>	1,240	Caterpillar, Inc.	269,861
Consumer Staples - 15.5%			120,491	Corning, Inc.	4,928,082
65,455	Altria Group, Inc.	3,120,894	3,695	FedEx Corp.	1,102,329
34,455	British American Tobacco PLC, ADR	1,354,426	35,582	Gates Industrial Corp. PLC ^(a)	642,967
13,200	Coca-Cola HBC AG, ADR ^(a)	476,916	85,521	Manitex International, Inc. ^(a)	623,448
3,635	Diageo PLC, ADR	696,793	26,850	Raytheon Technologies Corp.	2,290,574
50,327	Molson Coors Beverage Co., Class B ^(a)	2,702,057	2,780	The Boeing Co. ^(a)	665,977
34,800	Monster Beverage Corp. ^(a)	3,178,980	7,795	United Parcel Service, Inc., Class B	1,621,126
44,895	PepsiCo., Inc.	6,652,092			<u>13,072,522</u>
84,525	Philip Morris International, Inc.	8,377,273	Information Technology - 9.5%		
48,300	The Coca-Cola Co.	2,613,513	1,926	Alphabet, Inc., Class A ^(a)	4,702,888
195,126	The Kroger Co.	7,475,277	29,660	Cerner Corp.	2,318,226
4,525	The Procter & Gamble Co.	610,558	18,775	Cognizant Technology Solutions Corp., Class A	1,300,356
57,921	Unilever PLC, ADR	3,388,379	3,155	Facebook, Inc., Class A ^(a)	1,097,025
		<u>40,647,158</u>	19,000	Forrester Research, Inc. ^(a)	870,200
Energy - 2.7%			54,317	Microsoft Corp.	14,714,475
136,810	BP PLC, ADR	3,614,520	100	MSCI, Inc.	53,308
7,430	Chevron Corp.	778,218			<u>25,056,478</u>
13,600	ConocoPhillips	828,240	Materials - 4.0%		
7,800	Phillips 66	669,396	14,225	Celanese Corp., Class A	2,156,510
14,415	Valero Energy Corp.	1,125,523	28,458	Corteva, Inc.	1,262,112
		<u>7,015,897</u>	28,458	Dow, Inc.	1,800,822
Financials - 23.4%			25,464	DuPont de Nemours, Inc.	1,971,168
53,260	Aflac, Inc.	2,857,932	2,149	International Flavors & Fragrances, Inc.	321,061
49,495	American International Group, Inc.	2,355,962	26,505	LyondellBasell Industries NV, Class A	2,726,569
2,480	Ameriprise Financial, Inc.	617,222	4,980	The Mosaic Co.	158,912
201,099	Bank of America Corp.	8,291,312			<u>10,397,154</u>
16,545	Berkshire Hathaway, Inc., Class B ^(a)	4,598,186	Transportation - 0.2%		
61,374	Central Pacific Financial Corp.	1,599,407	3,110	Union Pacific Corp.	683,982
25,975	Citigroup, Inc.	1,837,731			
5,616	Colliers International Group, Inc.	628,880	Total Common Stock (Cost \$101,901,289)		
118,268	Credit Suisse Group AG, ADR	1,240,631			<u>252,561,248</u>
5,616	FirstService Corp.	961,796			
63,668	Franklin Resources, Inc.	2,036,739			

See Notes to Financial Statements.

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2021

ASSETS	
Investments, at value (Cost \$103,716,721)	\$ 254,443,650
Cash	7,448,195
Receivables:	
Fund shares sold	1,443
Investment securities sold	345,590
Dividends and interest	325,769
Prepaid expenses	25,587
Total Assets	<u>262,590,234</u>
LIABILITIES	
Payables:	
Investment securities purchased	13,565
Fund shares redeemed	100,719
Accrued Liabilities:	
Investment Adviser fees	135,376
Fund services fees	25,810
Other expenses	49,891
Total Liabilities	<u>325,361</u>
NET ASSETS	<u>\$ 262,264,873</u>
COMPONENTS OF NET ASSETS	
Paid-in capital	\$ 107,177,106
Distributable earnings	<u>155,087,767</u>
NET ASSETS	<u>\$ 262,264,873</u>
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)	
Investor Shares	5,354,548
A Shares	89,797
Institutional Shares	4,269,779
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*	
Investor Shares (based on net assets of \$142,914,865)	<u>\$ 26.69</u>
A Shares (based on net assets of \$2,442,871)	<u>\$ 27.20</u>
A Shares Maximum Public Offering Price Per Share (net asset value per share/(100%-5.75%))	<u>\$ 28.86</u>
Institutional Shares (based on net assets of \$116,907,137)	<u>\$ 27.38</u>

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

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2021

INVESTMENT INCOME	
Dividend income (Net of foreign withholding taxes of \$22,736)	\$ 4,724,988
Interest income	96,659
Total Investment Income	<u>4,821,647</u>
EXPENSES	
Investment Adviser fees	1,875,526
Fund services fees	316,238
Transfer agent fees:	
Investor Shares	52,587
A Shares	1,132
Institutional Shares	10,100
Distribution fees:	
A Shares	6,932
Custodian fees	24,539
Registration fees:	
Investor Shares	15,604
A Shares	4,544
Institutional Shares	16,345
Professional fees	46,735
Trustees' fees and expenses	7,927
Other expenses	191,717
Total Expenses	<u>2,569,926</u>
Fees waived	<u>(518,947)</u>
Net Expenses	<u>2,050,979</u>
NET INVESTMENT INCOME	<u>2,770,668</u>
NET REALIZED AND UNREALIZED GAIN	
Net realized gain on:	
Investments	2,955,262
Foreign currency transactions	10
Net realized gain	<u>2,955,272</u>
Net change in unrealized appreciation on investments	<u>62,170,452</u>
NET REALIZED AND UNREALIZED GAIN	<u>65,125,724</u>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 67,896,392</u>

AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended June 30, 2021		For the Year Ended June 30, 2020	
		Shares		Shares
OPERATIONS				
Net investment income	\$ 2,770,668		\$ 3,146,015	
Net realized gain	2,955,272		3,957,269	
Net change in unrealized appreciation (depreciation)	62,170,452		(15,070,059)	
Increase (Decrease) in Net Assets Resulting from Operations	<u>67,896,392</u>		<u>(7,966,775)</u>	
DISTRIBUTIONS TO SHAREHOLDERS				
Investor Shares	(3,012,681)		(8,128,004)	
A Shares	(59,813)		(151,099)	
Institutional Shares	(2,336,853)		(5,663,780)	
Total Distributions Paid	<u>(5,409,347)</u>		<u>(13,942,883)</u>	
CAPITAL SHARE TRANSACTIONS				
Sale of shares:				
Investor Shares	4,680,876	194,993	6,856,973	326,470
A Shares	-	-	338,878	16,867
Institutional Shares	5,533,880	221,073	11,009,653	484,969
Reinvestment of distributions:				
Investor Shares	2,896,793	123,714	7,658,790	336,765
A Shares	57,709	2,423	146,537	6,342
Institutional Shares	2,260,120	94,164	5,465,117	234,913
Redemption of shares:				
Investor Shares	(12,864,029)	(546,001)	(25,909,544)	(1,258,506)
A Shares	(1,131,536)	(46,041)	(146,650)	(7,145)
Institutional Shares	(6,341,551)	(265,234)	(10,458,283)	(486,997)
Redemption fees:				
Investor Shares	1,470	-	8,095	-
A Shares	27	-	163	-
Institutional Shares	1,162	-	5,838	-
Decrease in Net Assets from Capital Share Transactions	<u>(4,905,079)</u>	<u>(220,909)</u>	<u>(5,024,433)</u>	<u>(346,322)</u>
Increase (Decrease) in Net Assets	<u>57,581,966</u>		<u>(26,934,091)</u>	
NET ASSETS				
Beginning of Year	<u>204,682,907</u>		<u>231,616,998</u>	
End of Year	<u>\$ 262,264,873</u>		<u>\$ 204,682,907</u>	

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

	For the Years Ended June 30,				
	2021	2020	2019	2018	2017
INVESTOR SHARES					
NET ASSET VALUE, Beginning of Year	\$ 20.39	\$ 22.34	\$ 22.25	\$ 21.95	\$ 19.69
INVESTMENT OPERATIONS					
Net investment income (a)	0.27	0.29	0.28	0.26	0.23
Net realized and unrealized gain (loss)	6.59	(0.87)	1.18	1.28	2.59
Total from Investment Operations	6.86	(0.58)	1.46	1.54	2.82
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.30)	(0.29)	(0.30)	(0.25)	(0.23)
Net realized gain	(0.26)	(1.08)	(1.07)	(0.99)	(0.33)
Total Distributions to Shareholders	(0.56)	(1.37)	(1.37)	(1.24)	(0.56)
REDEMPTION FEES(a)	0.00(b)	0.00(b)	0.00(b)	0.00(b)	0.00(b)
NET ASSET VALUE, End of Year	\$ 26.69	\$ 20.39	\$ 22.34	\$ 22.25	\$ 21.95
TOTAL RETURN	34.03%	(3.17)%	7.08%	6.97%	14.55%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	\$ 142,915	\$ 113,810	\$ 137,995	\$ 161,032	\$ 185,363
Ratios to Average Net Assets:					
Net investment income	1.13%	1.34%	1.25%	1.14%	1.11%
Net expenses	0.92%	0.95%	0.98%	0.98%	1.03%
Gross expenses (c)	1.09%	1.10%	1.11%	1.10%	1.16%
PORTFOLIO TURNOVER RATE	1%	2%	3%	3%	5%

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- (a) Calculated based on average shares outstanding during each year.
(b) Less than \$0.01 per share.
(c) Reflects the expense ratio excluding any waivers and/or reimbursements.

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

	For the Years Ended June 30,				
	2021	2020	2019	2018	2017
A SHARES					
NET ASSET VALUE, Beginning of Year	\$ 20.76	\$ 22.70	\$ 22.56	\$ 22.23	\$ 19.90
INVESTMENT OPERATIONS					
Net investment income (a)	0.19	0.23	0.22	0.20	0.19
Net realized and unrealized gain (loss)	6.72	(0.89)	1.21	1.29	2.61
Total from Investment Operations	6.91	(0.66)	1.43	1.49	2.80
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.21)	(0.20)	(0.22)	(0.17)	(0.14)
Net realized gain	(0.26)	(1.08)	(1.07)	(0.99)	(0.33)
Total Distributions to Shareholders	(0.47)	(1.28)	(1.29)	(1.16)	(0.47)
REDEMPTION FEES(a)	0.00(b)	0.00(b)	0.00(b)	0.00(b)	0.00(b)
NET ASSET VALUE, End of Year	\$ 27.20	\$ 20.76	\$ 22.70	\$ 22.56	\$ 22.23
TOTAL RETURN(c)	33.60%	(3.47)%	6.80%	6.68%	14.28%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	\$ 2,443	\$ 2,770	\$ 2,664	\$ 2,782	\$ 2,797
Ratios to Average Net Assets:					
Net investment income	0.78%	1.06%	0.98%	0.87%	0.91%
Net expenses	1.25%	1.25%	1.25%	1.25%	1.25%
Gross expenses (d)	1.52%	1.51%	1.53%	1.44%	1.54%
PORTFOLIO TURNOVER RATE	1%	2%	3%	3%	5%

- (a) Calculated based on average shares outstanding during each year.
(b) Less than \$0.01 per share.
(c) Total Return does not include the effect of front end sales charge or contingent deferred sales charge.
(d) Reflects the expense ratio excluding any waivers and/or reimbursements.

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

	For the Years Ended June 30,				
	2021	2020	2019	2018	2017
INSTITUTIONAL SHARES					
NET ASSET VALUE, Beginning of Year	\$ 20.88	\$ 22.81	\$ 22.66	\$ 22.29	\$ 19.96
INVESTMENT OPERATIONS					
Net investment income (a)	0.31	0.33	0.33	0.31	0.28
Net realized and unrealized gain (loss)	6.75	(0.88)	1.19	1.30	2.61
Total from Investment Operations	7.06	(0.55)	1.52	1.61	2.89
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.30)	(0.30)	(0.30)	(0.25)	(0.23)
Net realized gain	(0.26)	(1.08)	(1.07)	(0.99)	(0.33)
Total Distributions to Shareholders	(0.56)	(1.38)	(1.37)	(1.24)	(0.56)
REDEMPTION FEES(a)	0.00(b)	0.00(b)	0.00(b)	0.00(b)	0.00(b)
NET ASSET VALUE, End of Year	\$ 27.38	\$ 20.88	\$ 22.81	\$ 22.66	\$ 22.29
TOTAL RETURN	34.19%	(3.00)%	7.24%	7.20%	14.72%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	\$ 116,907	\$ 88,103	\$ 90,958	\$ 71,644	\$ 59,518
Ratios to Average Net Assets:					
Net investment income	1.25%	1.51%	1.43%	1.34%	1.32%
Net expenses	0.80%	0.80%	0.80%	0.80%	0.86%
Gross expenses (c)	1.09%	1.10%	1.10%	1.10%	1.16%
PORTFOLIO TURNOVER RATE	1%	2%	3%	3%	5%

- (a) Calculated based on average shares outstanding during each year.
(b) Less than \$0.01 per share.
(c) Reflects the expense ratio excluding any waivers and/or reimbursements.

Note 1. Organization

The Auxier Focus Fund (the “Fund”) is a diversified portfolio of Forum Funds (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940, as amended (the “Act”). Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund’s shares of beneficial interest without par value.

The Fund currently offers three classes of shares: Investor Shares, A Shares and Institutional Shares. A Shares are offered at net asset value plus a maximum sales charge of 5.75%. A Shares are also subject to contingent deferred sales charge (“CDSC”) of 1.00% on purchases without an initial sales charge and redeemed less than one year after they are purchased. Investor Shares and Institutional Shares are not subject to a sales charge. Investor Shares, A Shares and Institutional Shares commenced operations on July 9, 1999, July 8, 2005 and May 9, 2012, respectively. The Fund’s investment objective is to provide long-term capital appreciation.

Note 2. Summary of Significant Accounting Policies

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, “Financial Services – Investment Companies.” These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increases and decreases in net assets from operations during the fiscal year. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

Security Valuation – Securities are valued at market prices using the last quoted trade or official closing price from the principal exchange where the security is traded, as provided by independent pricing services on each Fund business day. In the absence of a last trade, securities are valued at the mean of the last bid and ask price provided by the pricing service. Debt securities may be valued at prices supplied by a fund’s pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics such as rating, interest rate and maturity. Shares of non-exchange traded open-end mutual funds are valued at net asset value (“NAV”). Short-term investments that mature in sixty days or less may be valued at amortized cost.

The Fund values its investments at fair value pursuant to procedures adopted by the Trust’s Board of Trustees (the “Board”) if (1) market quotations are not readily available or (2) the Adviser, as defined in Note 4, believes that the values available are unreliable. The Trust’s Valuation Committee, as defined in the Fund’s registration statement, performs certain functions as they relate to the administration and oversight of the Fund’s valuation procedures. Under these procedures, the Valuation Committee convenes on a regular and ad hoc basis to review such investments and considers a number of factors, including valuation methodologies and significant unobservable inputs, when arriving at fair value.

The Valuation Committee may work with the Adviser to provide valuation inputs. In determining fair valuations, inputs may include market-based analytics that may consider related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant investment information. Adviser inputs may include an income-based approach in which the anticipated future cash flows of the investment are discounted in determining fair value. Discounts may also be applied based on the nature or duration of any restrictions on the disposition of the investments. The Valuation Committee performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

Fair valuation is based on subjective factors and, as a result, the fair value price of an investment may differ from the security’s market price and may not be the price at which the asset may be sold. Fair valuation could result in a different NAV than a NAV determined by using market quotes.

GAAP has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various “inputs” used to determine the value of the Fund’s investments. These inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices in active markets for identical assets and liabilities.

Level 2 - 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 a pricing service and generally categorized as Level 2 in the hierarchy. Other securities that are categorized as Level 2 in the hierarchy include, but are not limited to, warrants that do not trade on an exchange, securities valued at the mean between the last reported bid and ask quotation and international equity securities valued by an independent third party with adjustments for changes in value between the time of the securities' respective local market closes and the close of the U.S. market.

Level 3 - Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The aggregate value by input level, as of June 30, 2021, for the Fund's investments is included at the end of the Fund's Schedule of Investments.

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

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

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

Federal Taxes – The Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as amended (“Code”), and to distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all of its net investment income and capital gains, if any, the Fund will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. The Fund files a U.S. federal income and excise tax return as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of June 30, 2021, there are no uncertain tax positions that would require financial statement recognition, de-recognition or disclosure.

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

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

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

the imposition of the redemption fee. Redemption fees incurred for the Fund, if any, are reflected on the Statements of Changes in Net Assets.

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

Note 3. Cash – Concentration in Uninsured Account

For cash management purposes, the Fund may concentrate cash with the Fund’s custodian. This typically results in cash balances exceeding the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. As of June 30, 2021, the Fund had \$7,198,195 at MUFG Union Bank, N.A. that exceeded the FDIC insurance limit.

Note 4. Fees and Expenses

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

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

For the year ended June 30, 2021, there were no front-end sales charges assessed on the sale of A Shares and no contingent deferred sales charges were assessed on the sale of A Shares.

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

Trustees and Officers – 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 or her duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees’ fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

Note 5. Expense Reimbursement and Fees Waived

The 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 expenses on short sales, and extraordinary expenses) to 0.92%, 1.25% and 0.80% of the Investor Shares, A Shares and Institutional Shares, respectively, through at least October 31, 2021. Prior to November 1, 2020, the expense cap for Investor Shares was 0.94% of average daily assets. These contractual waivers may only be raised or eliminated with consent of the Board. Other fund service providers have voluntarily agreed to waive a portion of their fees. These voluntary reductions may be reduced or eliminated at any time. For the year ended June 30, 2021, the fees waived and expenses reimbursed were as follows:

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

<u>Investment Adviser Fees Waived</u>	<u>Investment Adviser Expenses Reimbursed</u>	<u>Other Waivers</u>	<u>Total Fees Waived and Expenses Reimbursed</u>
\$ 218,029	\$ 212,768	\$ 88,150	\$ 518,947

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. As of June 30, 2021, \$1,161,217 is subject to recapture by the Adviser. Other Waivers are not eligible for recoupment.

Note 6. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments, during the year ended June 30, 2021, totaled \$2,469,671 and \$9,574,526.

Note 7. Federal Income Tax

As of June 30, 2021, cost for federal income tax purposes is \$103,742,584 and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 157,262,212
Gross Unrealized Depreciation	<u>(6,561,146)</u>
Net Unrealized Appreciation	<u>\$ 150,701,066</u>

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

	<u>2021</u>	<u>2020</u>
Ordinary Income	\$ 2,913,466	\$ 3,106,233
Long-Term Capital Gain	<u>2,495,881</u>	<u>10,836,650</u>
	<u>\$ 5,409,347</u>	<u>\$ 13,942,883</u>

As of June 30, 2021, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 1,356,148
Undistributed Long-Term Gain	3,030,553
Unrealized Appreciation	<u>150,701,066</u>
Total	<u>\$ 155,087,767</u>

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

Note 8. Subsequent Events

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact. Effective July 31, 2021, following the acquisition of MUFG Union Bank, N.A. by US Bank, US Bank serves as the Fund's custodian.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Auxier Focus Fund, a series of shares of beneficial interest in Forum Funds (the "Fund"), including the schedule of investments, as of June 30, 2021, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended, 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 Fund as of June 30, 2021, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and its financial highlights for each of the years in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risk of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures 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 June 30, 2021 by correspondence with the custodian, 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

BBD, LLP

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

Philadelphia, Pennsylvania
August 26, 2021

AUXIER FOCUS FUND
ADDITIONAL INFORMATION (Unaudited)
JUNE 30, 2021

Proxy Voting Information

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (877) 328-9437 and on the SEC's website at www.sec.gov. The Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (877) 328-9437 and on the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT. Forms N-PORT are available free of charge on the SEC's website at www.sec.gov.

Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments on certain classes, redemption fees, exchange fees and CDSC fees, and (2) ongoing costs, including management fees, 12b-1 fees, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund, and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2021 through June 30, 2021.

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) on purchase payments on certain classes, redemption fees, exchange fees, and CDSC fees. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value January 1, 2021	Ending Account Value June 30, 2021	Expenses Paid During Period*	Annualized Expense Ratio*
Investor Shares				
Actual	\$ 1,000.00	\$ 1,132.86	\$ 4.92	0.93%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,020.18	\$ 4.66	0.93%
A Shares				
Actual	\$ 1,000.00	\$ 1,130.98	\$ 6.60	1.25%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,018.60	\$ 6.26	1.25%
Institutional Shares				
Actual	\$ 1,000.00	\$ 1,133.75	\$ 4.23	0.80%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,020.83	\$ 4.01	0.80%

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

AUXIER FOCUS FUND
ADDITIONAL INFORMATION (Unaudited)
JUNE 30, 2021

Federal Tax Status of Dividends Declared during the Fiscal Year

For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Fund designates 100% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD), 100% for the qualified dividend rate (QDI) and 2.87% of its income dividends as qualified interest income exempt from U.S. tax for foreign shareholders (QII) as defined in Section 1(h)(11) of the Code. Pursuant to Section 852 (b)(3) of the Internal Revenue Code, the Fund designates \$2,495,881 as long term capital gain dividends for the year.

Trustees and Officers of the Trust

The Board is responsible for oversight of the management of the Trust’s business affairs and of the exercise of all the Trust’s powers except those reserved for the shareholders. The following table provides information about each Trustee and certain officers of the Trust. Each Trustee and officer holds office until the person resigns, is removed or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is Three Canal Plaza, Suite 600, Portland, Maine 04101. The Fund’s Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (877) 328-9437.

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.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
Mark D. Moyer Born: 1959	Trustee; Chairman of the Audit Committee	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.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
Jennifer Brown-Strabley Born: 1964	Trustee	Since 2018	Principal, Portland Global Advisors (a registered investment adviser), 1996-2010.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
Interested Trustees⁽¹⁾					
Jessica Chase Born: 1970	Trustee	Since 2018	Director, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.	1	Trustee, Forum Funds II and U.S. Global Investors Funds

⁽¹⁾Jessica Chase is currently an interested person of the Trust, as defined in the 1940 Act, due to her affiliation with Apex Fund Services and her role as President of the Trust. Apex Fund Services is a wholly owned subsidiary of Apex US Holdings LLC.

AUXIER FOCUS FUND
ADDITIONAL INFORMATION (Unaudited)
JUNE 30, 2021

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	Director, Apex Fund Services since 2019. Senior Vice President, Atlantic Fund Services 2008-2019.
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.
Zachary Tackett Born: 1988	Vice President; Secretary and Anti-Money Laundering Compliance Officer	Since 2014	Senior Counsel, Apex Fund Services since 2019; Counsel, Atlantic Fund Services 2014-2019.
Michael J. McKeen Born: 1971	Vice President	Since 2009	Senior Vice President, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.
Timothy Bowden Born: 1969	Vice President	Since 2009	Manager, Apex Fund Services since 2019; Manager, Atlantic Fund Services 2008-2019.
Geoffrey Ney Born: 1975	Vice President	Since 2013	Manager, Apex Fund Services since 2019; Manager, Atlantic Fund Services 2013-2019.
Todd Proulx Born: 1978	Vice President	Since 2013	Manager, Apex Fund Services since 2019; Manager, Atlantic Fund Services 2013-2019.
Carlyn Edgar Born: 1963	Chief Compliance Officer and Vice President	Chief Compliance Officer 2008-2016 and 2021-current; Vice President since 2008	Senior Vice President, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.

AUXIER FOCUS FUND

FOR MORE INFORMATION

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

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Aurora, Oregon 97002

TRANSFER AGENT

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DISTRIBUTOR

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