

ABSOLUTE FUNDS

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## ANNUAL REPORT

**MARCH 31, 2019**

Beginning on January 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund or your financial intermediary electronically by contacting the Fund at (888) 992-2765, or by contacting your financial intermediary directly.

You may elect to receive all future reports in paper free of charge. You can inform the Fund or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by contacting the Fund at (888) 992-2765, or by contacting your financial intermediary directly. Your election to receive reports in paper will apply to all funds held with Absolute Funds.

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**ABSOLUTE**  
**INVESTMENT ADVISERS**

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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, 2019, 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 a multi-manager strategy. For a complete description of each Fund’s principal investment risks please refer to its respective prospectus.

Although each Fund’s strategy is different, each Fund is subject to the following risks: Small- and medium-sized company risk; foreign or emerging markets securities risk which involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets; interest rate risk; and high yield, lower-rated (junk) bonds risk.

Other principal risks include investing in initial public offerings; selling securities short with the risk of magnified capital losses; investing in derivatives which can be volatile and involve various types and degrees of risks; and investing in options and futures which are subject to special risks and may not fully protect a Fund against declines in the value of its stocks. In addition, an option writing strategy limits the upside profit potential normally associated with stocks. Futures trading is very speculative, largely due to the traditional volatility of futures prices.

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.

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**ABSOLUTE STRATEGIES FUND**

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2019

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Dear Shareholder,

We are pleased to present the Annual Report for the Absolute Strategies Fund (the "Fund") for the year ended March 31, 2019.

The Fund's main goals reflect the potential for capital preservation/downside protection through risk and return positioning that helps diversify traditional portfolios. Achieving these goals over the course of an investment cycle often means constructing a portfolio of investments that looks very different from other investment funds, including alternative funds. 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. Over time this has created significant non-correlation and diversification characteristics.

Financial markets in 2018 had a very difficult 4th quarter that was favorable for the Fund. The Fund was positioned for a downturn in the markets heading into that period and was able to capitalize on volatility and provide a meaningful portfolio hedge for investors. For the 4th quarter, the Fund returned 4.75% vs. -5.56% and -13.52% for the HRFX Global Hedge Fund Index and the S&P 500 Index respectively. For the calendar year 2018, the Fund returned 1.33% vs. -6.72% and -4.39% for the HRFX Global Hedge Fund Index and the S&P 500 Index respectively. During much of the Fund's fiscal year, however, markets were routinely bailed out by intervention from global central banks, most notably China. These sudden rallies compress volatility and result in large short-term recoveries that are not favorable to a value-biased long portfolio. The Fund returned -3.23% over the 12 months ended March 31. By comparison, the HRFX Global Hedge Fund Index returned -3.32% and the S&P 500 Index returned 9.50%.

*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 the original cost. To obtain performance information current to the most month-end, call the Fund at 888-99-ABSOLUTE.*

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 have been artificially suppressed. Constructing a portfolio of various industry-favored hedge fund strategies does 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. This is clear when looking at the performance of hedge fund strategies during volatile markets; the hedge fund strategies and the S&P 500 are regularly correlated and go down together. 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 unwinding of correlated asset risks creates an opportunity to set up a portfolio that can generate significant outperformance during periods of high volatility.

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. This, we believe, is how markets cycle over time. Occasionally cycles reach extremes, which has actually been a common occurrence over the past 20 years. We believe we have entered a period of higher volatility and a compression in market valuations. This may result in a large drawdown in markets or simply a large trading range with significant swings in prices, similar to the period of the 1970s. The latter could be likely if the future period coincides with an inflationary era that causes a rise in interest rates and a contraction in profit margins.

#### Overall Positioning and Performance Review:

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,

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**ABSOLUTE STRATEGIES FUND**

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2019

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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. 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.

**Value vs Growth.** The Fund continues to carry a large value-bias overall with the majority of the long equity portfolio in value-style securities vs a short portfolio that has been heavily growth-weighted, and in our view, significantly overpriced. This positioning served well during the downturn in equity markets in the 4th quarter and contributed to the Fund's performance during that period. However, this value-bias in long vs short securities has struggled for several years as markets have been in a period where index investing has favored momentum and growth. We believe this momentum cycle is similar to that of the late 1990s and will likely revert to a period where value out performs growth for several years.

**Short Equity.** Market indices are trading at valuation levels only seen near the 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. 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. The Fund's overall portfolio is currently positioned with a net short equity bias. This positioning was highly beneficial during periods of market volatility, but negatively impacted performance for the fiscal period.

**Convertible Arbitrage.** Convertible arbitrage is one of few areas of financial markets that is not flooded with excess capital and has provided modest returns. Hedged convertible securities have offered attractive return and risk characteristics relative to most other areas of the bond market. This strategy also has offered a relatively steady return profile to diversify away from other areas of our portfolio and performed well during the period.

In summary, the Fund's convertible arbitrage strategy was the best performer during the period. This is notable because the strategy typically exhibits low sensitivity to equity markets. Manager strategies based on long equity exposure performed well, but lagged market indices. Long/short strategies were detractors. 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 using both index futures and options. During periods of low volatility the Fund has maintained a large amount of short exposure due to historically high valuations and weak fundamentals. The timing is uncertain but we believe the payoff in short opportunities could be significant.

The Fund held its highest defensive positioning from October to the December low. Once markets reached extremely oversold levels, we monetized some of our short exposure near the lows and bought some upside optionality (hedging) in the form of index call spreads. We expect to continue to trade around market volatility while maintaining a highly defensive posture. We plan to become aggressively defensive again as rallies wear thin and investor optimism returns; this is likely to coincide with a more dovish Federal Reserve. It's also likely any slowdown in US growth will be blamed on the 2018/2019 government shutdown, which may recover short term. Therefore we believe some period of volatile consolidation with several rallies and selloffs, followed by the next major leg lower in equity markets will most likely occur during the second half of 2019.

We hope investors and advisors can recognize the need for diversification away from a 100% passive, beta portfolio and re-introduce strategies that may provide some defense by taking advantage of difficult, volatile environments. We believe the last few years were not indicative of a free market system, nor a fair market test for strategies like ours given the flood of liquidity and interference by global central banks. This intervention caused a massive, artificial suppression of interest rates and volatility, which are key drivers in adequately pricing risk and delivering alpha. Instead, many strategies were given a free pass to take on "risk-free" beta and everything correlated into one large liquidity bet. Many of our competitors benefited from our headwinds by posting what appeared to be solid performance. However the 4th quarter of 2018, (much like hedge funds in 2007-2009) proved that some of them are nothing more than a complex idea inside a beta-chasing wrapper. Further, many do not provide diversification and are

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**ABSOLUTE STRATEGIES FUND**

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2019

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actually leveraged to the same beta investments that exist across a traditional investor portfolio. We do not believe this is an appropriate profile for an alternative strategy fund.

Our philosophy and process, on the other hand, have never varied. We do not chase risk. We do not chase beta. We recognize that certain market environments will be challenging. We do not pretend to try to avoid them; providing a diversifying strategy that varies capital at risk is not supposed to be easy. Outside of the past five years, our strategy performed well in a variety of market environments. We generally kept pace with market indices and easily outperformed most benchmarks from inception in 2005 through 2012, a period containing only one down year. We believe the last five years will be looked at as an historic outlier brought on by an extraordinary effort by global central banks to artificially extend an already 40-year decline in interest rates. This experiment is being unwound and in the end we believe it will likely be viewed as destructive; at least until the next major crisis wipes out asset prices.

Conversely, we also believe it is necessary to learn from our own investment experiences. Our fault in the recent past was not recognizing zero percent rates and that central bank liquidity could drive speculation to reach such extreme levels. We recognize that fundamental and valuation analysis are not the sole driver of market pricing and certain mechanisms have been altered due to the high concentration of capital allocated to passive, quantitative/algo and momentum strategies. These strategies are generally insensitive to valuation and fundamental concerns which can cause large deviations from historical market averages. We have added technical research and analysis to our efforts in order to better assess the overall market cycle as it relates to our positioning. This is simply an added tool to our process and we hope these efforts will help minimize periods of underperformance. We also have provided access to two single-manager strategies in separate funds to fit alongside more traditional equity or fixed income allocations. We anticipate that our overall collection of funds will provide a better choice of strategies for investors and advisors looking for more flexibility and diversification across a market cycle

Outlook and comments on recent market volatility:

Our commentary of October 18, 2018, was aptly titled, "Global markets have begun to show their hand." We stressed that markets were providing a back drop, similar to the year 2000 peak, which could be the start of a long drawn-out bear market lasting several years. The similarities to the 2000 period were striking: extreme valuations; global markets and sectors diverging following an extended market and economic cycle; big swings in volatility along with several advances back toward markets highs. The spark was simply due to a sharp rise in interest rates and threats of inflation that is being accompanied by central banks unwinding their balance sheets and tightening liquidity.

Since that time, markets appeared to have entered a bear market period with every major market index falling 20% or more from early October to late December. Similar to early 2001 or early 2008, we believe this is just the first leg of what may be a lengthy and volatile bear market period. We do expect (much like prior downturns) violent rallies lasting weeks or even months, and may provide a feeling of relief that everything is back to normal. This is how bear markets work. In fact, the recent late December low may hold for some time, possibly into the second half of 2019, with the potential for some indices to rally back near prior highs, (similar to 2001).

Markets are still adjusting to what is likely a secular trend of higher interest rates which could result in a complete repricing of risk across a variety of asset classes. In effect, the past 5-6 years have seen investors pile into risky assets believing that low rates would be permanent. Given the extended rise in LIBOR and other market rates, we now know this idea was misplaced and is likely to result in a complete reversion to the mean. This may imply equity markets revisiting 2013-2015 market levels, which would require an overall drop of 40-50%. The forces of higher interest rates and resulting profit margin contraction are now set in motion and will not be easily reversed. Why? Because markets were addicted to many years of zero percent interest rates. As a result, the scale of leveraged loans and lower graded investments has exploded. The US leveraged loan market now exceeds \$1 trillion with most of these being highly illiquid. BBB rated US corporate debt has grown to over \$3 trillion; BBB rated debt now represents half of all investment grade corporate debt and we aren't even in a recession...yet.

Globally, a slowdown in China may be the largest economic risk for equity markets. China has seen a major decline in a variety of business sectors while vehicle sales had its first annual decline since 1990. One major global supplier of

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**ABSOLUTE STRATEGIES FUND**

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2019

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electronic components, Japan's Nidec Corp., is seeing a sharp slowdown in Chinese demand for auto and appliance makers by more than 30%. Nidec's CEO stated, "...this is the first time I've seen such a large single-month drop in orders...what we witnessed in November and December was just extraordinary." (WSJ, Jan 17, 2019). China appears to be doing all it can to attempt a soft landing, including a new round of liquidity injections.

While trade wars and other headlines appear to be drawing political focus, we believe that there is one very serious threat that is not receiving much financial media attention: the accusation that China is hacking and stealing US intellectual property. This could be a macro, secular driver of both supply and demand for the US technology sector. Not only is China a major source of cheap labor for US companies' products, it is also an enormous end market. Thinking through this logically, the risk of US technology companies completely pulling out of China, or worse, having their intellectual property used against them, is a very real risk. Imagine the outcome if top technology companies were forced to relocate to more expensive manufacturing sites, and ended up in a price war with similar/copied Chinese technologies. Several stories have surfaced on the subject but it is almost as if they are being hidden by media outlets. Bloomberg wrote an expansive article outlining the hacking and infiltration of US technology on October 4, 2018. In December, the CFO of a major Chinese tech company, Huawei, was detained in Canada at the request of US authorities. In January, Congress introduced a bill to ban the sale of US semiconductor chips to Chinese telecommunications companies. Other than the arrest of Huawei's CFO, these stories have not received much attention compared to Fed tightening and trade war threats. Yet the Bloomberg article appeared to be the immediate catalyst for the initial downturn in the markets; in fact it was the same day. These issues do not appear to be among strategic trading partners, but between major economic adversaries. Other than handshakes and smiles, we do not see much if any real trade deal between the US and China. Quite the contrary, we believe these issues could have a major economic impact on long-term US technology company profitability.

We do not expect credit concerns or a global economic slowdown to drive markets straight down as happened in 2008. We anticipate markets will go through various periods of ups and downs, but are likely to correct meaningfully over a 2-3 year period.

We very much appreciate your investment in the Absolute Strategies Fund.

Sincerely,



Jay Compson  
Portfolio Manager  
Absolute Investment Advisers LLC

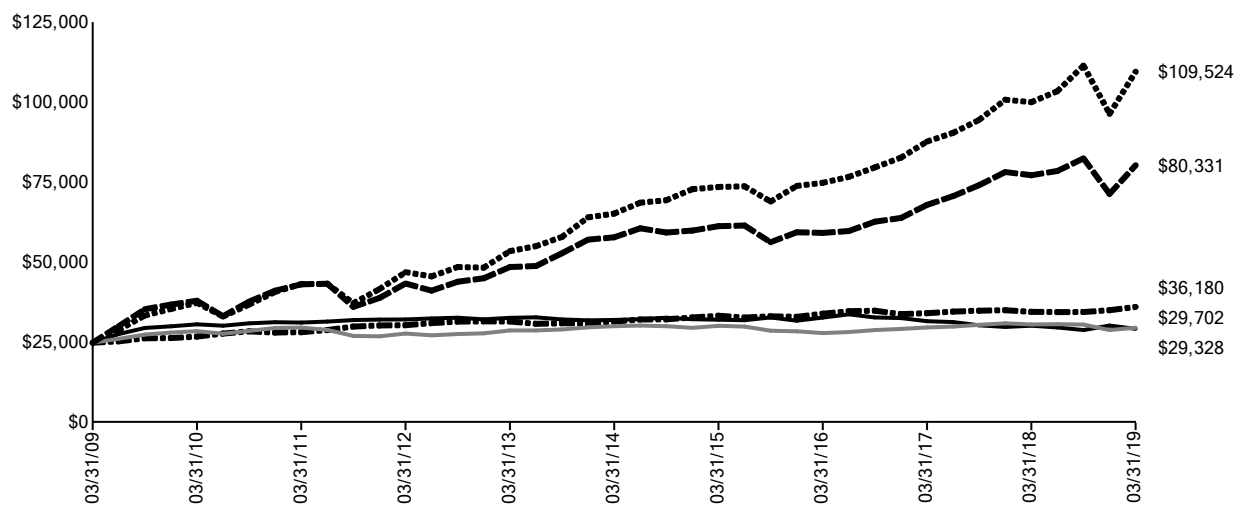
## ABSOLUTE STRATEGIES FUND

### PERFORMANCE CHART AND ANALYSIS (Unaudited)

MARCH 31, 2019

The following chart reflects the change in the value of a hypothetical \$25,000 investment in Institutional 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 \$25,000 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, 2019

	One Year	Five Year	Ten Year
Absolute Strategies Fund Institutional Shares	-3.23%	-1.78%	1.61%
S&P 500® Index	9.50%	10.91%	15.92%
Bloomberg Barclays U.S. Aggregate Bond Index	4.48%	2.74%	3.77%
HFRX Global Hedge Fund Index	-3.32%	-0.30%	1.74%
MSCI World Index	4.01%	6.78%	12.38%

**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 3.23%. 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 ratio would be 2.41%. 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% for Institutional Shares, through August 1, 2019 (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

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**ABSOLUTE STRATEGIES FUND**

PERFORMANCE CHART AND ANALYSIS (Unaudited)

MARCH 31, 2019

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*Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement will increase if exclusions from the Expense Cap apply. 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.*



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**ABSOLUTE CAPITAL OPPORTUNITIES FUND**

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2019

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Dear Shareholder,

We are pleased to present the Annual Report for the Absolute Capital Opportunities Fund (“the Fund”) for the year ended March 31, 2019 (“the Period”).

The Fund declined 1.78% during the Period but is up 2.04% year-to-date through March of 2019. Despite the Period decline we are satisfied with this performance given that Fund’s positioning, calendar year performance and the fact that the Fund has been positive by 7.9%, 5.37% and 5.99% for the calendar years 2016, 2017 and 2018, respectively. The Fund’s beta to the S&P 500 has been very low (0.13) since inception which highlights that returns have not been driven solely by a rise in broader markets.

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Options positions designed to capture large moves (“tail hedges”) in the S&P 500 were positive contributors. Starbucks and Jacobs Engineering were also among larger gainers. CBS, Mohawk Industries, and American Airlines were single name detractors.

The Fund continues to maintain a bias towards value-based long positions. Despite the market appearing to favor “growth” stocks over “value” stocks over the past several years, many “value” stocks have been growing their earnings at roughly the same rate as the overall market throughout this period. Market participants have rewarded what we believe are already richly priced companies (primarily in the Technology sector) with even higher valuations. We believe these levels require a high degree of certainty that the future path of earnings will closely resemble the recent past just to be called fair and they provide very little room for error in that assessment. Meanwhile, many of the companies owned by the Fund have been cast aside under the guise of a different kind of certainty: that earnings for these companies will not grow or grow only modestly for the foreseeable future despite these same companies disproving that theory many times over the past several years.

This divergence continues to appear untenable to us over any meaningfully long period of time. We believe that over a long period of time, the cash flow produced by a company may force that company’s stock price to revert back to a level better approximating fair value. Alternatively, the company may be acquired by a strategic competitor looking to capitalize on the mispricing. This is why we focus on math. Over time, we believe math is what ultimately drives returns.

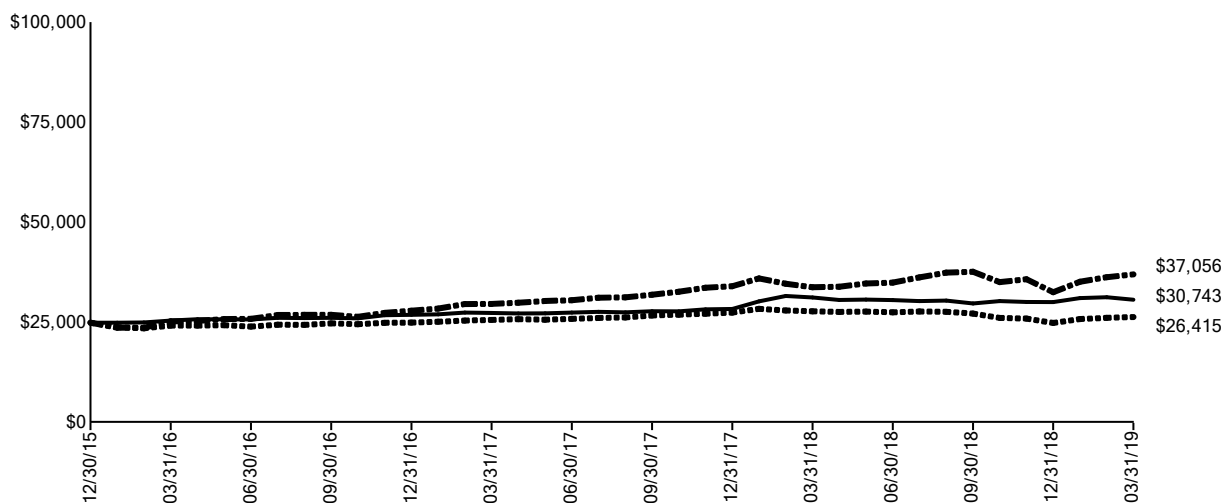
Looking forward, the Fund continues to be positioned much as it had been in the past. We continue to carry substantial hedges, but believe our stock holdings have become the most attractively priced in relative terms to the overall market since 2010. As a result, we have structured the Fund with the potential to benefit from either stock selection, or absolute movement in either direction.

We are pleased with our overall results and very much appreciate the faith you, our investors, have placed with us. Please know we are invested significantly alongside you.

**ABSOLUTE CAPITAL OPPORTUNITIES FUND**  
**PERFORMANCE CHART AND ANALYSIS (Unaudited)**  
**MARCH 31, 2019**

The following chart reflects the change in the value of a hypothetical \$25,000 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 \$25,000 Investment  
 Absolute Capital Opportunities Fund vs. HFRX Equity Hedge Index  
 and S&P 500 Index**



— Institutional Shares    ..... HFRX Equity Hedge Index    - - - S&P 500® Index

Average Annual Total Returns Periods Ended March 31, 2019	One Year	Since Inception 12/30/15
Absolute Capital Opportunities Fund	-1.78%	6.57%
HFRX Equity Hedge Index	-5.14%	1.65%
S&P 500® Index	9.50%	12.54%

**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 3.37%. Excluding the effect of expenses attributable to dividends and interest on short sales, the Fund's total annual operating expense ratio would be 2.51%. 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 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. 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.

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**ABSOLUTE CONVERTIBLE ARBITRAGE FUND**

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

MARCH 31, 2019

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Dear Shareholder,

The twelve month period ended March 31, 2019 (the “Period”) has provided a robust test for the Absolute Convertible Arbitrage Fund (“ARBIX”) and other credit oriented strategies. Interest rates rose and fell. Credit spreads widened and tightened. We are pleased with the Fund’s return of +3.95% for the Period. Additionally, the annualized return over the last three years is +7.7%. The Fund has been positive 36 out of the last 38 months. Fund volatility has been extremely low and beta to traditional stocks and bonds has also been close to zero.

Encore Capital Group, Harmonic Inc., Avis Technology Inc. and MongoDB, Inc. were positive contributors and Global Eagle Entertainment Inc., Infinera Corporation and Accelerate Diagnostic Inc. underperformed our expectations.

One of the reasons for the Fund’s consistent performance is that it utilizes a total return approach across credit, yield, and volatility. Over time there has been a natural offset between these three areas that does not exist in more traditional bond markets because in traditional bond markets, volatility isn’t a specific factor. For example, as convertible prices increased during the first quarter of 2019 and our equity hedges got heavier, the Fund’s portfolio inherently became more sensitive to future moves in equity volatility and less sensitive to both credit moves and interest rates. Additionally, through security selection, we can actively bias the portfolio toward the area that may be cheap when another is more expensive. The portfolio sensitivity weights naturally move toward buying low and selling high and vice versa when these moves reverse.

The convertible marketplace is a niche market best suited for focused, experienced, convertible specialists who grind away daily to extract nickels and dimes in a tightly risk controlled manner. Preservation of capital is always a key focus. The downside risk in any position, and the portfolio as a whole, is very tightly controlled. The potential upside reward in any trade takes a back seat to what we could lose if we are wrong.

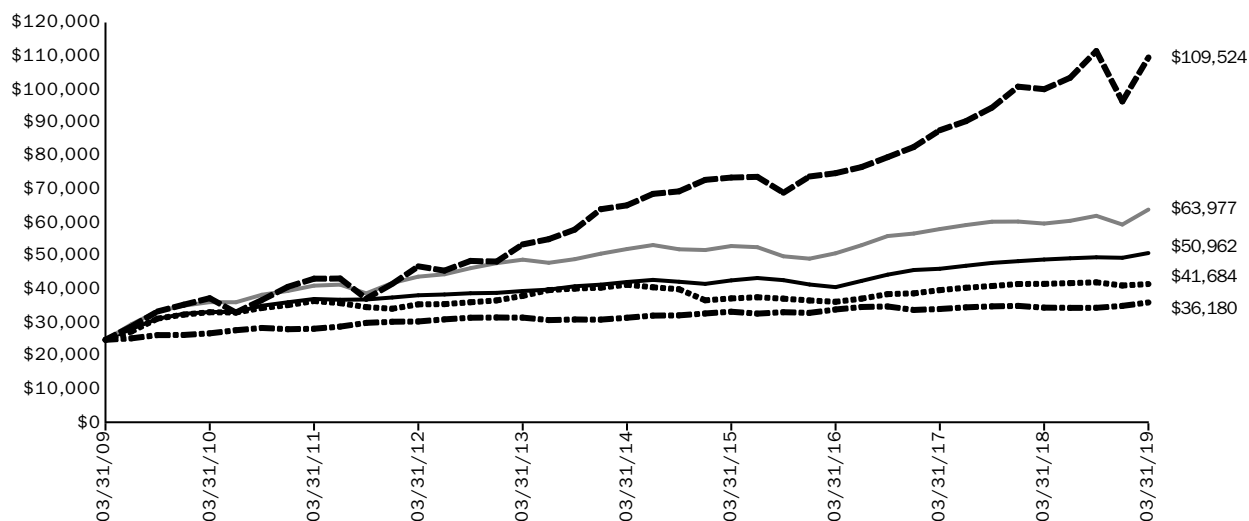
The investment process requires extreme focus and discipline. The vast majority of companies targeted do not have straight bonds outstanding and are typically small and mid-cap companies. Therefore, analysis requires dedicated, bottom-up, internally generated credit work which establishes its own unique opinion of the credit quality of the company. Company filings, news events and research reports are continuously monitored and analyzed for any changes in business developments and credit quality. This process also requires name by name modeling of securities where inputs such as equity volatility, credit spreads, interest rates, delta hedges, stock loan rates, takeover provisions and secondary market prices continuously change by the minute. Newly issued convertibles often involve new companies coming to market in a 24 hour period which requires access to deals and mandates that we perform fast and focused research and analysis.

As a reminder to our investors, the Fund’s subadviser has been managing this strategy since 2002. During those 17 years they’ve witnessed many different types of markets with varying degrees of opportunity. While always keeping an eye on risk, the subadviser constantly adapts its approach to best match a given opportunity. The potential benefits to the strategy and Fund are well established – moderate returns with low volatility and low beta to traditional stocks and bonds. As always, this remains the Fund’s focus.

**ABSOLUTE CONVERTIBLE ARBITRAGE FUND**  
**PERFORMANCE CHART AND ANALYSIS (Unaudited)**  
**MARCH 31, 2019**

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, 2019**

	<b>One Year</b>	<b>Five Year</b>	<b>Ten Year</b>
Absolute Convertible Arbitrage Fund Institutional Shares	3.95%	3.79%	7.38%
HFRX Fixed Income Convertible Arbitrage Index	-0.14%	0.09%	5.25%
Bloomberg Barclays U.S. Aggregate Bond Index	4.48%	2.74%	3.77%
iBoxx High Yield Index	7.01%	4.17%	9.85%
S&P 500® Index	9.50%	10.91%	15.92%

**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 1.75%. 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, broker charges, proxy expenses and extraordinary expenses) to 1.60%, through August 1, 2019 (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. 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

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**ABSOLUTE CONVERTIBLE ARBITRAGE FUND**  
PERFORMANCE CHART AND ANALYSIS (Unaudited)  
MARCH 31, 2019

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*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.*

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**ABSOLUTE STRATEGIES FUND**

PORTFOLIO HOLDINGS SUMMARY (Unaudited)

MARCH 31, 2019

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**Portfolio Breakdown (% of Net Assets)**

Common Stock	21.0%
Asset Backed Obligations	0.3%
Investment Companies	49.9%
Money Market Fund	15.9%
Purchased Options	1.0%
Written Options	(0.1)%
Other Assets & Liabilities, Net *	12.0%
	100.0%

\* Consists of deposits with the custodian and/or brokers for put options written, cash, prepaid expenses, receivables, payables and accrued liabilities. Deposits with the custodian and/or brokers for put options written represent 11.8% of net assets. See Note 2 of the accompanying Notes to Financial Statements.

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

MARCH 31, 2019

Shares	Security Description		Value	
<b>Common Stock - 21.0%</b>				
<b>Communication Services - 1.2%</b>				
45,000	Liberty Global PLC, Class C <sup>(a)</sup>		\$ 1,089,450	
<b>Consumer Discretionary - 3.6%</b>				
10,000	Anheuser-Busch InBev SA/NV, ADR		839,700	
15,000	CVS Health Corp.		808,950	
14,000	The TJX Cos., Inc.		744,940	
6,500	The Walt Disney Co.		721,695	
			<u>3,115,285</u>	
<b>Consumer Staples - 0.7%</b>				
6,000	Nestle SA, ADR		571,920	
<b>Energy - 2.6%</b>				
40,000	Enbridge, Inc.		1,450,400	
19,000	Schlumberger, Ltd.		827,830	
			<u>2,278,230</u>	
<b>Financials - 7.0%</b>				
6,000	Berkshire Hathaway, Inc., Class B <sup>(a)</sup>		1,205,340	
28,000	Brookfield Asset Management, Inc., Class A		1,306,200	
18,000	Franklin Resources, Inc.		596,520	
25,000	Loews Corp.		1,198,250	
14,000	The Bank of New York Mellon Corp.		706,020	
5,500	The Howard Hughes Corp. <sup>(a)</sup>		605,000	
6,500	WR Berkley Corp.		550,680	
			<u>6,168,010</u>	
<b>Health Care - 1.5%</b>				
30,000	Sanofi, ADR		1,328,400	
<b>Industrials - 0.3%</b>				
3,500	Expeditors International of Washington, Inc.		265,650	
<b>Information Technology - 0.8%</b>				
12,000	Cerner Corp. <sup>(a)</sup>		686,520	
<b>Materials - 1.8%</b>				
9,500	DowDuPont, Inc.		506,445	
12,000	Royal Gold, Inc.		1,091,160	
			<u>1,597,605</u>	
<b>Real Estate - 0.3%</b>				
8,500	Equity Commonwealth REIT <sup>(a)</sup>		277,865	
<b>Utilities - 1.2%</b>				
14,000	Dominion Energy, Inc.		1,073,240	
<b>Total Common Stock (Cost \$15,763,733)</b>			<b>18,452,175</b>	
Principal	Security Description	Rate	Maturity	Value
<b>Asset Backed Obligations - 0.3%</b>				
\$ 42,343	Adjustable Rate Mortgage Trust, Series 2005-12 2A1 <sup>(b)</sup>	4.41%	03/25/36	38,645
27,262	Adjustable Rate Mortgage Trust, Series 2006-1 3A3 <sup>(b)</sup>	4.27	03/25/36	24,130
18,987	Banc of America Funding Corp., Series 2006-E 2A1 <sup>(b)</sup>	4.25	06/20/36	18,582
26,569	Banc of America Funding Corp., Series 2007-E 4A1 <sup>(b)</sup>	3.85	07/20/47	21,353
57,139	CitiMortgage Alternative Loan Trust, Series 2006-A7 1A12	6.00	12/25/36	53,596
21,708	CitiMortgage Alternative Loan Trust, Series 2007-A4 1A6	5.75	04/25/37	20,827
23,040	Countrywide Alternative Loan Trust, Series 2005-50CB 1A1	5.50	11/25/35	21,549
27,232	Countrywide Home Loan Mortgage Pass-Through Trust, Series 2007-HY5 1A1 <sup>(b)</sup>	4.51	09/25/47	26,548
43,808	IndyMac Index Mortgage Loan Trust, Series 2006-AR25 3A1 <sup>(b)</sup>	4.06	09/25/36	37,775
17,544	JP Morgan Mortgage Trust, Series 2007-A2 4A1M <sup>(b)</sup>	4.26	04/25/37	16,347
25,544	Structured Adjustable Rate Mortgage Loan Trust, Series 2007-3 3A1 <sup>(b)</sup>	4.17	04/25/47	19,348
<b>Total Asset Backed Obligations (Cost \$200,756)</b>				<b>298,700</b>
Shares	Security Description		Value	
<b>Investment Companies - 49.9%</b>				
1,713,508	Absolute Capital Opportunities Fund <sup>(c)</sup>		19,705,339	
2,314,548	Absolute Convertible Arbitrage Fund <sup>(a)(c)</sup>		24,279,613	
<b>Total Investment Companies (Cost \$41,721,835)</b>			<b>43,984,952</b>	

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

MARCH 31, 2019

Shares	Security Description			Value	
<b>Money Market Fund - 15.9%</b>					
13,987,734	BlackRock Liquidity Funds T-Fund Portfolio, Institutional Shares, 2.32% <sup>(d)</sup>				
	(Cost \$13,987,734)			<b>\$ 13,987,734</b>	
Contracts	Security Description	Strike Price	Exp. Date	Notional Contract Value	Value
<b>Purchased Options - 1.0%</b>					
<b>Call Options Purchased - 0.6%</b>					
20	CME E-Mini Russell	\$ 2810.00	04/19	\$ 2,810,000	43,500
3,000	Financial Select Sector SPDR Fund ETF	26.00	04/19	7,800,000	93,000
1,250	SPDR S&P 500 ETF Trust	288.00	05/19	36,000,000	361,875
Total Call Options Purchased (Premiums Paid \$426,978)					<b>498,375</b>
<b>Put Options Purchased - 0.4%</b>					
500	Invesco QQQ Trust ETF	180.00	05/19	9,102,000	169,750
500	Invesco QQQ Trust ETF	175.00	05/19	9,102,000	93,500
500	Invesco QQQ Trust ETF	155.00	05/19	9,102,000	8,500
2,000	iShares Russell 2000 ETF	144.00	04/19	30,952,000	74,000
1,000	iShares Russell 2000 ETF	140.00	04/19	15,476,000	17,000
Total Put Options Purchased (Premiums Paid \$727,500)					<b>362,750</b>
<b>Total Purchased Options (Premiums Paid \$1,154,478)</b>					<b>861,125</b>
<b>Investments, at value - 88.1% (Cost \$72,828,536)</b>					<b>\$ 77,584,686</b>
<b>Total Written Options - (0.1)% (Premiums Received \$(209,997))</b>					<b>(130,250)</b>
<b>Other Assets &amp; Liabilities, Net - 12.0%</b>					<b>10,593,252</b>
<b>Net Assets - 100.0%</b>					<b>\$ 88,047,688</b>



**ABSOLUTE STRATEGIES FUND**  
 SCHEDULE OF PUT OPTIONS WRITTEN  
 MARCH 31, 2019

<b>Contracts</b>	<b>Security Description</b>	<b>Strike Price</b>	<b>Exp. Date</b>	<b>Notional Contract Value</b>	<b>Value</b>
<b>Written Options - (0.1)%</b>					
<b>Put Options Written - (0.1)%</b>					
(500)	Invesco QQQ Trust ETF	\$ 170.00	05/19	\$ 8,500,000	\$ (50,250)
(1,000)	Invesco QQQ Trust ETF	165.00	05/19	16,500,000	(53,000)
(2,000)	iShares Russell 2000 ETF	139.00	04/19	27,800,000	(27,000)
Total Put Options Written (Premiums Received \$(209,997))					<b>(130,250)</b>
<b>Total Written Options - (0.1)% (Premiums Received \$(209,997))</b>					<b>\$ (130,250)</b>

**ABSOLUTE STRATEGIES FUND**

## NOTES TO SCHEDULES OF INVESTMENTS AND PUT OPTIONS WRITTEN

MARCH 31, 2019

- ADR American Depositary Receipt  
 ETF Exchange Traded Fund  
 PLC Public Limited Company  
 REIT Real Estate Investment Trust  
 (a) Non-income producing security.  
 (b) Variable rate security, the interest rate of which adjusts periodically based on changes in current interest rates. Rate represented is as of March 31, 2019.  
 (c) Affiliated Company.  
 (d) Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of March 31, 2019.

At March 31, 2019, the Fund held the following exchange traded futures contracts:

Contracts	Type	Expiration Date	Notional Contract		Net Unrealized Depreciation
			Value	Value	
(130)	CME E-Mini Russell Future	06/21/19	\$ (9,991,244)	\$ (10,034,700)	\$ (43,456)
(160)	Nasdaq 100 E-Mini Future	06/21/19	(23,124,721)	(23,681,600)	(556,879)
(70)	S&P 500 E-mini Future	06/21/19	(9,781,131)	(9,932,300)	(151,169)
			<u>\$ (42,897,096)</u>	<u>\$ (43,648,600)</u>	<u>\$ (751,504)</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**

Opportunities Fund	Absolute Capital		Gross Additions	Gross Reductions	Change in Unrealized Appreciation	Balance 3/31/2019	Realized Gain	Investment Income
	Balance 3/31/2018							
Shares	1,529,930		696,538	(512,960)	-	1,713,508		
Cost	\$ 16,010,000	\$	8,481,606	\$ (6,000,000)	\$	18,084,900	\$ 212,857	\$ 862,043
Value	19,154,722		-	-	(1,524,283)	19,705,339		
Arbitrage Fund	Absolute Convertible		Gross Additions	Gross Reductions	Change in Unrealized Depreciation	Balance 3/31/2019	Realized Gain	Investment Income
Balance 3/31/2018								
Shares	2,840,976		53,111	(579,539)	-	2,314,548		
Cost	\$ 29,047,189	\$	542,972	\$ (6,000,000)	\$	23,636,935	\$ 206,223	\$ 383,523
Value	29,233,640		-	-	456,227	24,279,613		

At March 31, 2019, the value of investments in affiliated companies was \$43,984,952 representing 49.96% of net assets, and the total cost was \$41,721,835. Net realized gain was \$419,080 and investment income was \$1,245,566.

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, 2019.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in Note 2 of the accompanying Notes to Financial Statements.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Investments at Value</b>				
Common Stock				
Communication Services	\$ 1,089,450	\$ -	\$ -	\$ 1,089,450
Consumer Discretionary	3,115,285	-	-	3,115,285
Consumer Staples	571,920	-	-	571,920
Energy	2,278,230	-	-	2,278,230
Financials	6,168,010	-	-	6,168,010
Health Care	1,328,400	-	-	1,328,400
Industrials	265,650	-	-	265,650
Information Technology	686,520	-	-	686,520
Materials	1,597,605	-	-	1,597,605
Real Estate	277,865	-	-	277,865
Utilities	1,073,240	-	-	1,073,240
Asset Backed Obligations	-	298,700	-	298,700
Investment Companies	43,984,952	-	-	43,984,952

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**ABSOLUTE STRATEGIES FUND**

## NOTES TO SCHEDULES OF INVESTMENTS AND PUT OPTIONS WRITTEN

MARCH 31, 2019

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Fund	\$ -	\$ 13,987,734	\$ -	\$ 13,987,734
Purchased Options	192,500	668,625	-	861,125
<b>Investments at Value</b>	<b>\$ 62,629,627</b>	<b>\$ 14,955,059</b>	<b>\$ -</b>	<b>\$ 77,584,686</b>
<b>Total Assets</b>	<b>\$ 62,629,627</b>	<b>\$ 14,955,059</b>	<b>\$ -</b>	<b>\$ 77,584,686</b>
<b>Liabilities</b>				
<b>Other Financial Instruments*</b>				
Written Options	-	(130,250)	-	(130,250)
Futures	(751,504)	-	-	(751,504)
<b>Total Other Financial Instruments*</b>	<b>\$ (751,504)</b>	<b>\$ (130,250)</b>	<b>\$ -</b>	<b>\$ (881,754)</b>
<b>Total Liabilities</b>	<b>\$ (751,504)</b>	<b>\$ (130,250)</b>	<b>\$ -</b>	<b>\$ (881,754)</b>

\* Other Financial Instruments are derivatives not reflected in the Schedule of Investments, such as futures, which are valued at the unrealized appreciation/(depreciation) and written options, which are reported at their market value at year end.

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**ABSOLUTE CAPITAL OPPORTUNITIES FUND**  
PORTFOLIO HOLDINGS SUMMARY (Unaudited)  
MARCH 31, 2019

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<b>Portfolio Breakdown (% of Net Assets)</b>	
Long Positions	
Common Stock	71.1%
Money Market Fund	19.8%
Purchased Options	5.3%
Short Positions	
Common Stock	(0.2)%
Investment Company	(114.4)%
Written Options	(1.3)%
Other Assets & Liabilities, Net *	119.7%
	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 119.5% of net assets. See Note 2 of the accompanying Notes to Financial Statements.

**ABSOLUTE CAPITAL OPPORTUNITIES FUND**

## SCHEDULE OF INVESTMENTS

MARCH 31, 2019

Shares	Security Description	Value
<b>Long Positions - 96.2%</b>		
<b>Common Stock - 71.1%</b>		
<b>Communication Services - 14.1%</b>		
644	Alphabet, Inc., Class A <sup>(a)</sup>	\$ 757,917
644	Alphabet, Inc., Class C <sup>(a)(b)</sup>	755,612
350	Booking Holdings, Inc. <sup>(a)</sup>	610,718
29,779	CBS Corp., Class B	1,415,396
3,013	Comcast Corp., Class A	120,460
7,967	Expedia, Inc. <sup>(b)</sup>	948,073
7,609	Facebook, Inc., Class A <sup>(a)(b)</sup>	1,268,344
4,791	MultiChoice Group, Ltd., ADR <sup>(a)</sup>	39,909
23,955	Naspers, Ltd., ADR, Class N	1,112,231
1,607	Omnicom Group, Inc.	117,295
3,211	Spark Networks SE, ADR <sup>(a)</sup>	51,055
		<u>7,197,010</u>
<b>Consumer Discretionary - 14.3%</b>		
29,034	American Airlines Group, Inc. <sup>(b)</sup>	922,120
2,409	CarMax, Inc. <sup>(a)(b)</sup>	168,148
7,710	Delta Air Lines, Inc.	398,221
26,720	General Motors Co. <sup>(b)</sup>	991,312
12,230	Mohawk Industries, Inc. <sup>(a)(b)(c)</sup>	1,542,815
9,957	Robert Half International, Inc.	648,798
19,878	Starbucks Corp.	1,477,731
3,315	The Walt Disney Co.	368,064
9,400	United Continental Holdings, Inc. <sup>(a)</sup>	749,932
		<u>7,267,141</u>
<b>Consumer Staples - 4.4%</b>		
4,193	AMERCO <sup>(a)</sup>	1,557,741
2,800	The Kraft Heinz Co. <sup>(d)</sup>	91,420
16,595	US Foods Holding Corp. <sup>(a)(b)</sup>	579,332
		<u>2,228,493</u>
<b>Energy - 0.7%</b>		
11,750	Halliburton Co.	344,275
		<u>344,275</u>
<b>Financials - 19.0%</b>		
5,534	American Express Co.	604,866
4,699	Aon PLC	802,119
38,044	Bank of America Corp. <sup>(b)</sup>	1,049,634
7,546	Berkshire Hathaway, Inc., Class B <sup>(a)(b)(c)</sup>	1,515,916
25,276	CBRE Group, Inc., Class A <sup>(a)(b)</sup>	1,249,898
8,904	Citigroup, Inc.	554,007
10,800	JPMorgan Chase & Co.	1,093,284
43,706	The Blackstone Group LP <sup>(b)</sup>	1,528,399
18,155	The Charles Schwab Corp.	776,308
2,765	The Goldman Sachs Group, Inc.	530,852
		<u>9,705,283</u>
<b>Health Care - 1.1%</b>		
9,095	Bayer AG	587,653
		<u>587,653</u>
<b>Industrials - 9.4%</b>		
19,548	Jacobs Engineering Group, Inc.	1,469,814
41,406	Quanta Services, Inc. <sup>(b)(c)</sup>	1,562,662
2,077	The Boeing Co.	792,209
3,651	United Parcel Service, Inc., Class B	407,963
4,275	Valmont Industries, Inc.	556,178
		<u>4,788,826</u>
<b>Information Technology - 6.1%</b>		
9,864	Analog Devices, Inc. <sup>(b)</sup>	1,038,383
9,420	Apple, Inc.	1,789,329
613	IBM	86,495
4,600	Micron Technology, Inc. <sup>(a)(b)(d)</sup>	190,118
		<u>3,104,325</u>
<b>Materials - 2.0%</b>		
8,921	PPG Industries, Inc. <sup>(b)</sup>	1,006,913
		<u>1,006,913</u>
<b>Total Common Stock (Cost \$34,288,606)</b>		<b><u>36,229,919</u></b>

**ABSOLUTE CAPITAL OPPORTUNITIES FUND**

## SCHEDULE OF INVESTMENTS

MARCH 31, 2019

Shares	Security Description			Value	
<b>Money Market Fund - 19.8%</b>					
10,066,356	BlackRock Liquidity Funds T-Fund Portfolio, Institutional Shares, 2.32% <sup>(e)</sup> (Cost \$10,066,356)			<b>\$ 10,066,356</b>	
Contracts	Security Description	Strike Price	Exp. Date	Notional Contract Value	Value
<b>Purchased Options - 5.3%</b>					
<b>Call Options Purchased - 4.3%</b>					
103	Discovery, Inc.	\$ 27.50	06/19	\$ 283,250	9,012
58	Discovery, Inc.	25.00	06/19	145,000	10,875
1,665	SPDR S&P 500 ETF Trust	280.00	04/19	46,620,000	865,800
715	SPDR S&P 500 ETF Trust	265.00	04/19	18,947,500	1,322,750
Total Call Options Purchased (Premiums Paid \$714,315)					<b>2,208,437</b>
<b>Put Options Purchased - 1.0%</b>					
29	Comcast Corp.	40.00	01/20	115,942	9,425
28	Intel Corp.	42.00	01/20	152,628	3,416
19	Micron Technology, Inc.	42.00	01/20	78,527	11,875
27	Micron Technology, Inc.	40.00	01/20	111,591	13,986
16	Omnicom Group, Inc.	72.50	01/20	116,784	9,040
1,428	SPDR S&P 500 ETF Trust	235.00	04/19	40,338,144	5,712
655	SPDR S&P 500 ETF Trust	255.00	01/20	18,502,440	443,763
Total Put Options Purchased (Premiums Paid \$1,152,777)					<b>497,217</b>
<b>Total Purchased Options (Premiums Paid \$1,867,092)</b>					<b>2,705,654</b>
<b>Total Long Positions - 96.2% (Cost \$46,222,054)</b>					<b>49,001,929</b>
<b>Total Short Positions - (114.6)% (Proceeds \$(56,195,004))</b>					<b>(58,381,192)</b>
<b>Total Written Options - (1.3)% (Premiums Received \$(1,073,056))</b>					<b>(682,531)</b>
<b>Other Assets &amp; Liabilities, Net - 119.7%</b>					<b>61,020,252</b>
<b>Net Assets - 100.0%</b>					<b>\$ 50,958,458</b>

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**ABSOLUTE CAPITAL OPPORTUNITIES FUND**

## SCHEDULE OF SECURITIES SOLD SHORT

MARCH 31, 2019

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<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
<b>Short Positions - (114.6)%</b>		
<b>Common Stock - (0.2)%</b>		
<b>Industrials - (0.2)%</b>		
(677)	Caterpillar, Inc. <sup>(b)</sup> (Proceeds \$(112,724))	<u>\$ (91,727)</u>
<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
<b>Investment Company - (114.4)%</b>		
(206,349)	SPDR S&P 500 ETF Trust <sup>(b)</sup> (Proceeds \$(56,082,280))	<u>(58,289,465)</u>
<b>Total Short Positions - (114.6)% (Proceeds \$(56,195,004))</b>		<u><b>\$ (58,381,192)</b></u>

**ABSOLUTE CAPITAL OPPORTUNITIES FUND**  
**SCHEDULE OF CALL AND PUT OPTIONS WRITTEN**  
**MARCH 31, 2019**

<b>Contracts</b>	<b>Security Description</b>	<b>Strike Price</b>	<b>Exp. Date</b>	<b>Notional Contract Value</b>	<b>Value</b>
<b>Written Options - (1.3)%</b>					
<b>Call Options Written - 0.0%</b>					
	(19) Micron Technology, Inc.	\$ 70.00	01/20	\$ 78,527	\$ (1,140)
	(27) Micron Technology, Inc.	60.00	01/20	111,591	(4,050)
	(28) The Kraft Heinz Co.	40.00	01/21	91,420	(6,440)
Total Call Options Written (Premiums Received \$(35,556))					<b>(11,630)</b>
<b>Put Options Written - (1.3)%</b>					
	(21) Acuity Brands, Inc.	80.00	12/19	168,000	(3,727)
	(4) Alphabet, Inc.	900.00	01/20	360,000	(6,160)
	(73) American Airlines Group, Inc.	25.00	01/20	182,500	(9,125)
	(28) Analog Devices, Inc.	75.00	01/20	210,000	(4,270)
	(87) Bank of America Corp.	20.00	01/20	174,000	(3,219)
	(24) Berkshire Hathaway, Inc.	165.00	01/20	396,000	(7,656)
	(37) Bristol-Myers Squibb Co.	47.00	01/20	173,900	(15,910)
	(31) Capital One Financial Corp.	75.00	01/20	232,500	(13,640)
	(32) CarMax, Inc.	55.00	01/20	176,000	(6,160)
	(6) Caterpillar, Inc.	125.00	05/19	75,000	(1,320)
	(60) CBRE Group, Inc.	35.00	06/19	210,000	(960)
	(13) CVS Health Corp.	55.00	08/19	71,500	(6,110)
	(20) Expedia Group, Inc.	85.00	01/20	170,000	(4,600)
	(32) Facebook, Inc.	120.00	01/20	384,000	(8,288)
	(17) FedEx Corp.	160.00	01/20	272,000	(12,920)
	(10) FedEx Corp.	150.00	01/20	150,000	(5,150)
	(44) General Motors Co.	45.00	01/20	198,000	(39,050)
	(71) General Motors Co.	30.00	01/20	213,000	(7,952)
	(74) General Motors Co.	25.00	01/20	185,000	(3,108)
	(28) Intel Corp.	47.00	01/20	131,600	(6,412)
	(28) Intel Corp.	45.00	01/20	126,000	(5,012)
	(33) Lam Research Corp.	110.00	01/20	363,000	(7,062)
	(9) Micron Technology, Inc.	35.00	01/20	31,500	(2,781)
	(6) Mohawk Industries, Inc.	130.00	12/19	78,000	(8,280)
	(42) Morgan Stanley	38.00	01/20	159,600	(9,366)
	(27) Northern Trust Corp.	75.00	04/19	202,500	(27)
	(22) PPG Industries, Inc.	90.00	01/20	198,000	(4,620)
	(27) QUALCOMM, Inc.	55.00	01/20	148,500	(12,825)
	(74) Quanta Services, Inc.	28.00	05/19	207,200	(74)
	(489) SPDR S&P 500 ETF Trust	265.00	01/20	12,958,500	(432,276)
	(70) The Blackstone Group LP	28.00	01/20	196,000	(5,600)
	(33) Twitter, Inc.	25.00	01/20	82,500	(6,204)
	(18) United Technologies Corp.	115.00	01/20	207,000	(8,190)
	(79) US Foods Holding Corp.	25.00	04/19	197,500	(79)
	(9) Vail Resorts, Inc.	160.00	12/19	144,000	(2,768)
Total Put Options Written (Premiums Received \$(1,037,500))					<b>(670,901)</b>
<b>Total Written Options - (1.3)% (Premiums Received \$(1,073,056))</b>					<b>\$ (682,531)</b>



**ABSOLUTE CAPITAL OPPORTUNITIES FUND**NOTES TO SCHEDULES OF INVESTMENTS, SECURITIES SOLD SHORT AND CALL AND PUT OPTIONS WRITTEN  
MARCH 31, 2019

- ADR American Depositary Receipt  
 ETF Exchange Traded Fund  
 LP Limited Partnership  
 PLC Public Limited Company  
 (a) Non-income producing security.  
 (b) Subject to put option written by the Fund.  
 (c) All or a portion of this security is held as collateral for securities sold short.  
 (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, 2019.

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, 2019.

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>
<b>Assets</b>				
<b>Investments at Value</b>				
Common Stock				
Communication Services	\$ 7,197,010	\$ -	\$ -	\$ 7,197,010
Consumer Discretionary	7,267,141	-	-	7,267,141
Consumer Staples	2,228,493	-	-	2,228,493
Energy	344,275	-	-	344,275
Financials	9,705,283	-	-	9,705,283
Health Care	587,653	-	-	587,653
Industrials	4,788,826	-	-	4,788,826
Information Technology	3,104,325	-	-	3,104,325
Materials	1,006,913	-	-	1,006,913
Money Market Fund	-	10,066,356	-	10,066,356
Purchased Options	2,232,964	472,690	-	2,705,654
<b>Investments at Value</b>	<b>\$ 38,462,883</b>	<b>\$ 10,539,046</b>	<b>\$ -</b>	<b>\$ 49,001,929</b>
<b>Total Assets</b>	<b>\$ 38,462,883</b>	<b>\$ 10,539,046</b>	<b>\$ -</b>	<b>\$ 49,001,929</b>
<b>Liabilities</b>				
<b>Securities Sold Short</b>				
Common Stock	\$ (91,727)	\$ -	\$ -	\$ (91,727)
Investment Company	(58,289,465)	-	-	(58,289,465)
<b>Securities Sold Short</b>	<b>\$ (58,381,192)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (58,381,192)</b>
<b>Other Financial Instruments*</b>				
Written Options	(139,108)	(543,423)	-	(682,531)
<b>Total Liabilities</b>	<b>\$ (58,520,300)</b>	<b>\$ (543,423)</b>	<b>\$ -</b>	<b>\$ (59,063,723)</b>

\* 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.

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**ABSOLUTE CONVERTIBLE ARBITRAGE FUND**  
PORTFOLIO HOLDINGS SUMMARY (Unaudited)  
MARCH 31, 2019

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**Portfolio Breakdown (% of Net Assets)**

Long Positions	
<b>Corporate Convertible Bonds</b>	90.2%
<b>Money Market Fund</b>	7.3%
Short Positions	
<b>Common Stock</b>	(46.4)%
Other Assets & Liabilities, Net *	48.9%
	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 48.4% of net assets. See Note 2 of the accompanying Notes to Financial Statements.

**ABSOLUTE CONVERTIBLE ARBITRAGE FUND**

## SCHEDULE OF INVESTMENTS

MARCH 31, 2019

Principal	Security Description	Rate	Maturity	Value
<b>Long Positions - 97.5%</b>				
<b>Corporate Convertible Bonds - 90.2%</b>				
<b>Communication Services - 23.3%</b>				
\$ 500,000	8x8, Inc. <sup>(a)</sup>	0.50%	02/01/24	\$ 513,050
1,500,000	CalAmp Corp. <sup>(a)</sup>	2.00	08/01/25	1,177,622
2,000,000	Chegg, Inc. <sup>(a)(b)</sup>	0.25	05/15/23	3,020,789
500,000	FireEye, Inc. <sup>(b)</sup>	1.63	06/01/35	468,991
750,000	FireEye, Inc. <sup>(a)(b)</sup>	0.88	06/01/24	768,437
1,000,000	Gannett Co., Inc. <sup>(a)</sup>	4.75	04/15/24	1,089,279
500,000	Global Eagle Entertainment, Inc. <sup>(b)</sup>	2.75	02/15/35	325,463
1,250,000	Harmonic, Inc. <sup>(b)</sup>	4.00	12/01/20	1,427,433
1,500,000	Infinera Corp.	2.13	09/01/24	1,188,360
1,000,000	iQIYI, Inc. <sup>(a)</sup>	2.00	04/01/25	1,045,000
2,000,000	MercadoLibre, Inc. <sup>(a)</sup>	2.00	08/15/28	2,693,750
1,500,000	Perficient, Inc. <sup>(a)</sup>	2.38	09/15/23	1,465,221
1,500,000	Q2 Holdings, Inc.	0.75	02/15/23	1,968,405
1,000,000	Quotient Technology, Inc.	1.75	12/01/22	941,692
750,000	RingCentral, Inc. <sup>(c)</sup>	0.00	03/15/23	1,072,717
1,000,000	Twitter, Inc. <sup>(a)</sup>	0.25	06/15/24	927,881
651,000	Twitter, Inc., Series 2014	1.00	09/15/21	614,193
				<u>20,708,283</u>
<b>Consumer Discretionary - 2.3%</b>				
1,000,000	EZCORP, Inc.	2.88	07/01/24	1,125,856
380,000	EZCORP, Inc. <sup>(a)(b)</sup>	2.38	05/01/25	331,169
500,000	Live Nation Entertainment, Inc.	2.50	03/15/23	577,801
				<u>2,034,826</u>
<b>Consumer Staples - 2.4%</b>				
625,000	Flexion Therapeutics, Inc. <sup>(b)</sup>	3.38	05/01/24	548,437
1,500,000	FTI Consulting, Inc. <sup>(a)</sup>	2.00	08/15/23	1,535,625
				<u>2,084,062</u>
<b>Energy - 4.6%</b>				
2,000,000	Helix Energy Solutions Group, Inc. <sup>(b)</sup>	4.13	09/15/23	2,247,585
1,500,000	Newpark Resources, Inc. <sup>(b)</sup>	4.00	12/01/21	1,850,700
				<u>4,098,285</u>
<b>Financials - 1.6%</b>				
500,000	Encore Capital Europe Finance, Ltd. <sup>(b)</sup>	4.50	09/01/23	449,348
61,000	Encore Capital Group, Inc. <sup>(b)</sup>	3.00	07/01/20	58,382
400,000	Encore Capital Group, Inc.	2.88	03/15/21	369,527
500,000	New Mountain Finance Corp.	5.75	08/15/23	502,725
				<u>1,379,982</u>
<b>Health Care - 16.5%</b>				
1,000,000	Accuray, Inc. <sup>(a)</sup>	3.75	07/15/22	1,090,052
1,250,000	Alder Biopharmaceuticals, Inc.	2.50	02/01/25	1,199,467
500,000	CONMED Corp. <sup>(a)</sup>	2.63	02/01/24	556,009
525,000	DexCom, Inc. <sup>(b)</sup>	0.75	05/15/22	706,077
1,000,000	Exact Sciences Corp. <sup>(b)</sup>	1.00	01/15/25	1,367,502
1,500,000	Inovio Pharmaceuticals, Inc. <sup>(a)</sup>	6.50	03/01/24	1,507,318
1,500,000	Insmed, Inc.	1.75	01/15/25	1,520,408
1,500,000	Insulet Corp. <sup>(a)</sup>	1.38	11/15/24	1,810,313
500,000	Karyopharm Therapeutics, Inc. <sup>(a)</sup>	3.00	10/15/25	311,161
1,000,000	Ligand Pharmaceuticals, Inc. <sup>(a)</sup>	0.75	05/15/23	860,180
750,000	Novavax, Inc. <sup>(b)</sup>	3.75	02/01/23	273,763
1,500,000	Pacira Pharmaceuticals, Inc.	2.38	04/01/22	1,480,494
1,600,000	Retrophin, Inc.	2.50	09/15/25	1,495,608
500,000	Theravance Biopharma, Inc. <sup>(b)</sup>	3.25	11/01/23	485,544
				<u>14,663,896</u>
<b>Industrials - 9.5%</b>				
1,500,000	Chart Industries, Inc. <sup>(a)</sup>	1.00	11/15/24	2,447,689
1,000,000	II-VI, Inc.	0.25	09/01/22	1,048,621
1,424,000	Kaman Corp.	3.25	05/01/24	1,573,390
967,000	Team, Inc.	5.00	08/01/23	1,048,578
365,000	TimkenSteel Corp. <sup>(b)</sup>	6.00	06/01/21	427,549
2,000,000	Vishay Intertechnology, Inc. <sup>(a)(b)</sup>	2.25	06/15/25	1,865,858
				<u>8,411,685</u>

**ABSOLUTE CONVERTIBLE ARBITRAGE FUND**

## SCHEDULE OF INVESTMENTS

MARCH 31, 2019

Principal	Security Description	Rate	Maturity	Value
<b>Information Technology - 29.0%</b>				
\$ 1,505,000	Atlassian, Inc. <sup>(a)</sup>	0.63%	05/01/23	\$ 2,250,301
500,000	Avid Technology, Inc. <sup>(b)</sup>	2.00	06/15/20	472,475
2,000,000	Carbonite, Inc. <sup>(b)</sup>	2.50	04/01/22	2,332,326
2,500,000	Coupa Software, Inc. <sup>(a)(b)</sup>	0.38	01/15/23	5,230,129
1,000,000	Envestnet, Inc. <sup>(a)</sup>	1.75	06/01/23	1,152,415
700,000	Evolent Health, Inc. <sup>(a)</sup>	1.50	10/15/25	557,107
2,000,000	Five9, Inc. <sup>(a)(b)</sup>	0.13	05/01/23	2,817,830
1,000,000	LivePerson, Inc. <sup>(a)</sup>	0.75	03/01/24	1,033,800
500,000	MongoDB, Inc. <sup>(a)</sup>	0.75	06/15/24	1,105,542
1,000,000	New Relic, Inc. <sup>(a)(b)</sup>	0.50	05/01/23	1,126,383
1,000,000	Pluralsight, Inc. <sup>(a)</sup>	0.38	03/01/24	1,072,238
500,000	Pure Storage, Inc. <sup>(a)</sup>	0.13	04/15/23	537,772
1,500,000	Silicon Laboratories, Inc.	1.38	03/01/22	1,633,627
1,000,000	Tabula Rasa HealthCare, Inc. <sup>(a)</sup>	1.75	02/15/26	1,068,429
595,000	Veeco Instruments, Inc.	2.70	01/15/23	510,498
1,000,000	Verint Systems, Inc., Series 2014-	1.50	06/01/21	1,106,752
1,500,000	Vocera Communications, Inc. <sup>(a)(b)</sup>	1.50	05/15/23	1,766,236
				<u>25,773,860</u>
<b>Materials - 1.0%</b>				
610,000	SSR Mining, Inc. <sup>(b)</sup>	2.88	02/01/33	613,172
250,000	SSR Mining, Inc. <sup>(a)</sup>	2.50	04/01/39	248,906
				<u>862,078</u>
<b>Total Corporate Convertible Bonds (Cost \$72,988,366)</b>				<b>80,016,957</b>
<b>Shares</b>	<b>Security Description</b>			<b>Value</b>
<b>Money Market Fund - 7.3%</b>				
6,488,400	BlackRock Liquidity Funds T-Fund Portfolio, Institutional Shares, 2.32% <sup>(d)</sup> (Cost \$6,488,400)			<u>6,488,400</u>
<b>Total Long Positions - 97.5% (Cost \$79,476,766)</b>				<b>86,505,357</b>
<b>Total Short Positions - (46.4)% (Proceeds \$(38,169,505))</b>				<b>(41,175,965)</b>
<b>Other Assets &amp; Liabilities, Net - 48.9%</b>				<b>43,438,282</b>
<b>Net Assets - 100.0%</b>				<b>\$ 88,767,674</b>

**ABSOLUTE CONVERTIBLE ARBITRAGE FUND**

## SCHEDULE OF SECURITIES SOLD SHORT

MARCH 31, 2019

Shares	Security Description	Value
<b>Short Positions - (46.4)%</b>		
<b>Common Stock - (46.4)%</b>		
<b>Communication Services - (11.6)%</b>		
(12,195)	8x8, Inc.	\$ (246,339)
(21,552)	CalAmp Corp.	(271,124)
(62,658)	Chegg, Inc.	(2,388,523)
(18,980)	FireEye, Inc.	(318,674)
(42,100)	Gannett Co., Inc.	(443,734)
(124,000)	Harmonic, Inc.	(672,080)
(85,319)	Infinera Corp.	(370,285)
(17,473)	iQIYI, Inc., ADR	(417,954)
(3,752)	MercadoLibre, Inc.	(1,905,003)
(20,830)	Perficient, Inc.	(570,534)
(19,901)	Q2 Holdings, Inc.	(1,378,343)
(25,200)	Quotient Technology, Inc.	(248,724)
(7,475)	RingCentral, Inc., Class A	(805,805)
(7,600)	Twitter, Inc.	(249,888)
		<u>(10,287,010)</u>
<b>Consumer Discretionary - (1.3)%</b>		
(91,300)	EZCORP, Inc., Class A	(850,916)
(4,550)	Live Nation Entertainment, Inc.	(289,107)
		<u>(1,140,023)</u>
<b>Consumer Staples - (0.8)%</b>		
(11,400)	Flexion Therapeutics, Inc.	(142,272)
(7,348)	FTI Consulting, Inc.	(564,473)
		<u>(706,745)</u>
<b>Energy - (2.3)%</b>		
(131,015)	Helix Energy Solutions Group, Inc.	(1,036,329)
(104,000)	Newpark Resources, Inc.	(952,640)
		<u>(1,988,969)</u>
<b>Financials - (0.3)%</b>		
(8,368)	Encore Capital Group, Inc.	(227,861)
(4,500)	New Mountain Finance Corp.	(61,065)
		<u>(288,926)</u>
<b>Health Care - (7.2)%</b>		
(100,989)	Accuray, Inc.	(481,718)
(39,500)	Alder Biopharmaceuticals, Inc.	(539,175)
(3,208)	CONMED Corp.	(266,841)
(3,900)	DexCom, Inc.	(464,490)
(9,990)	Exact Sciences Corp.	(865,334)
(143,189)	Inovio Pharmaceuticals, Inc.	(534,095)
(23,718)	Insmmed, Inc.	(689,482)
(10,960)	Insulet Corp.	(1,042,186)
(24,500)	Karyopharm Therapeutics, Inc.	(143,080)
(1,760)	Ligand Pharmaceuticals, Inc.	(221,250)
(75,840)	Novavax, Inc.	(41,780)
(9,761)	Pacira Pharmaceuticals, Inc.	(371,504)
(24,100)	Retrophin, Inc.	(545,383)
(8,450)	Theravance Biopharma, Inc.	(191,561)
		<u>(6,397,879)</u>
<b>Industrials - (4.9)%</b>		
(21,950)	Chart Industries, Inc.	(1,986,914)
(13,011)	II-VI, Inc.	(484,530)
(11,900)	Kaman Corp.	(695,436)
(26,000)	Team, Inc.	(455,000)
(18,200)	TimkenSteel Corp.	(197,652)
(29,554)	Vishay Intertechnology, Inc.	(545,862)
		<u>(4,365,394)</u>
<b>Information Technology - (17.9)%</b>		
(14,900)	Atlassian Corp. PLC, Class A	(1,674,611)
(2,700)	Avid Technology, Inc.	(20,115)
(48,716)	Carbonite, Inc.	(1,208,644)
(51,269)	Coupa Software, Inc.	(4,664,454)
(8,850)	Envestnet, Inc.	(578,701)
(11,300)	Evolent Health, Inc., Class A	(142,154)

See Notes to Financial Statements.

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**ABSOLUTE CONVERTIBLE ARBITRAGE FUND**

## SCHEDULE OF SECURITIES SOLD SHORT

MARCH 31, 2019

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Shares	Security Description	Value
<b>Information Technology - (17.9)% (continued)</b>		
(38,689)	Five9, Inc.	\$ (2,043,940)
(16,011)	LivePerson, Inc.	(464,639)
(6,676)	MongoDB, Inc.	(981,506)
(5,970)	New Relic, Inc.	(589,239)
(15,774)	Pluralsight, Inc., Class A	(500,667)
(10,650)	Pure Storage, Inc., Class A	(232,064)
(8,490)	Silicon Laboratories, Inc.	(686,501)
(10,300)	Tabula Rasa HealthCare, Inc.	(581,126)
(5,000)	Veeco Instruments, Inc.	(54,200)
(6,685)	Verint Systems, Inc.	(400,164)
(33,410)	Vocera Communications, Inc.	(1,056,758)
		<u>(15,879,483)</u>
<b>Materials - (0.1)%</b>		
(9,600)	SSR Mining, Inc.	(121,536)
Total Common Stock (Proceeds \$(38,169,505))		<u>(41,175,965)</u>
<b>Total Short Positions - (46.4)% (Proceeds \$(38,169,505))</b>		<u><b>\$ (41,175,965)</b></u>

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**ABSOLUTE CONVERTIBLE ARBITRAGE FUND**

## NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT

MARCH 31, 2019

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ADR American Depositary Receipt  
PLC Public Limited Company

- (a) Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$44,983,491 or 50.7% of net assets.
- (b) All or a portion of this security is held as collateral for securities sold short.
- (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, 2019.

The following is a summary of the inputs used to value the Fund's investments and liabilities as of March 31, 2019.

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>
<b>Assets</b>				
<b>Investments at Value</b>				
Corporate Convertible Bonds	\$ -	\$ 80,016,957	\$ -	\$ 80,016,957
Money Market Fund	-	6,488,400	-	6,488,400
<b>Investments at Value</b>	<u>\$ -</u>	<u>\$ 86,505,357</u>	<u>\$ -</u>	<u>\$ 86,505,357</u>
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 86,505,357</u>	<u>\$ -</u>	<u>\$ 86,505,357</u>
<b>Liabilities</b>				
<b>Securities Sold Short</b>				
Common Stock	\$ (41,175,965)	\$ -	\$ -	\$ (41,175,965)
<b>Securities Sold Short</b>	<u>\$ (41,175,965)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,175,965)</u>
<b>Total Liabilities</b>	<u>\$ (41,175,965)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,175,965)</u>

**ABSOLUTE FUNDS**

## STATEMENTS OF ASSETS AND LIABILITIES

MARCH 31, 2019

	<b>ABSOLUTE STRATEGIES FUND</b>	<b>ABSOLUTE CAPITAL OPPORTUNITIES FUND</b>	<b>ABSOLUTE CONVERTIBLE ARBITRAGE FUND</b>
<b>ASSETS</b>			
Investments, at value (Cost \$31,106,701, \$46,222,054 and \$79,476,766, respectively)	\$ 33,599,734	\$ 49,001,929	\$ 86,505,357
Investments in affiliates, at value (Cost \$41,721,835, \$0 and \$0, respectively)	<u>43,984,952</u>	<u>—</u>	<u>—</u>
	<u>\$ 77,584,686</u>	<u>\$ 49,001,929</u>	<u>\$ 86,505,357</u>
Cash	43,186	1,435	—
Deposits with broker	10,420,568	60,908,797	42,945,019
Receivables:			
Fund shares sold	2,105	125,174	228,745
Investment securities sold	306,323	—	210,113
Dividends and interest	103,381	56,434	349,931
Prepaid expenses	<u>23,004</u>	<u>17,163</u>	<u>16,047</u>
Total Assets	<u>88,483,253</u>	<u>110,110,932</u>	<u>130,255,212</u>
<b>LIABILITIES</b>			
Call options written, at value (Premiums received \$0, \$35,556 and \$0, respectively)	—	11,630	—
Put options written, at value (Premiums received \$209,997, \$1,037,500 and \$0, respectively)	130,250	670,901	—
Securities sold short, at value (Proceeds \$0, \$56,195,004 and \$38,169,505, respectively)	—	58,381,192	41,175,965
Payables:			
Investment securities purchased	86,979	—	88,091
Fund shares redeemed	60,280	—	88,688
Dividends on securities sold short	—	—	3,054
Variation margin	1,892	—	—
Accrued Liabilities:			
Investment adviser fees	65,424	47,917	86,125
Fund services fees	25,236	10,037	10,986
Other expenses	<u>65,504</u>	<u>30,797</u>	<u>34,629</u>
Total Liabilities	<u>435,565</u>	<u>59,152,474</u>	<u>41,487,538</u>
<b>NET ASSETS</b>	<u>\$ 88,047,688</u>	<u>\$ 50,958,458</u>	<u>\$ 88,767,674</u>
<b>COMPONENTS OF NET ASSETS</b>			
Paid-in capital	\$ 118,217,174	\$ 51,217,726	\$ 86,232,441
Distributable earnings	<u>(30,169,486)</u>	<u>(259,268)</u>	<u>2,535,233</u>
<b>NET ASSETS</b>	<u>\$ 88,047,688</u>	<u>\$ 50,958,458</u>	<u>\$ 88,767,674</u>
<b>SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)</b>			
Institutional Shares	10,868,428	4,431,415	8,460,507
<b>NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE</b>			
Institutional Shares (based on net assets of \$88,047,688, \$50,958,458 and \$88,767,674, respectively)	<u>\$ 8.10</u>	<u>\$ 11.50</u>	<u>\$ 10.49</u>



**ABSOLUTE FUNDS**STATEMENTS OF OPERATIONS  
YEAR ENDED MARCH 31, 2019

	<b>ABSOLUTE STRATEGIES FUND</b>	<b>ABSOLUTE CAPITAL OPPORTUNITIES FUND</b>	<b>ABSOLUTE CONVERTIBLE ARBITRAGE FUND</b>
<b>INVESTMENT INCOME</b>			
Dividend income (Net of foreign withholding taxes of \$56,366, \$400 and \$0, respectively)	\$ 1,384,148	\$ 718,799	\$ 319,645
Dividend income from affiliated investment	1,245,566	-	-
Interest income	114,482	222,553	1,726,727
Total Investment Income	2,744,196	941,352	2,046,372
<b>EXPENSES</b>			
Investment adviser fees	2,056,595	646,688	1,002,803
Fund services fees	281,816	108,067	155,494
Transfer agent fees:			
Institutional Shares	98,595	-	-
R Shares	17,009	-	-
Distribution fees:			
R Shares	1,900	-	-
Custodian fees	87,683	35,642	51,154
Registration fees:			
Institutional Shares	24,685	19,972	11,578
R Shares	5,893	-	-
Professional fees	101,042	46,320	32,668
Trustees' fees and expenses	6,636	3,827	4,600
Offering costs	-	-	20,992
Dividend expense on securities sold short	58,735	576,283	55,037
Interest expense	27,821	12,591	164,004
Other expenses	169,157	31,823	48,659
Total Expenses	2,937,567	1,481,213	1,546,989
Fees waived	(816,067)	(83,980)	(181,887)
Net Expenses	2,121,500	1,397,233	1,365,102
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>622,696</b>	<b>(455,881)</b>	<b>681,270</b>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>			
Net realized gain (loss) on:			
Investments in unaffiliated issuers	11,488,176	(1,771,173)	5,880,993
Investments in affiliated issuers	(359,932)	-	-
Long-term capital gain distributions from affiliated issuers	779,012	-	-
Foreign currency transactions	8,227	(1,868)	-
Securities sold short	774,491	374,479	(6,737,931)
Written options	(721,867)	1,023,838	-
Futures	274,355	-	-
Net realized gain (loss)	12,242,462	(374,724)	(856,938)
Net change in unrealized appreciation (depreciation) on:			
Investments in unaffiliated issuers	(12,177,009)	2,313,300	5,870,361
Investments in affiliated issuers	(1,068,056)	-	-
Foreign currency translations	(2,437)	(59)	-
Securities sold short	(2,108,465)	(2,552,948)	(2,584,796)
Written options	79,747	393,118	-
Futures	(2,544,683)	-	-
Net change in unrealized appreciation (depreciation)	(17,820,903)	153,411	3,285,565
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>	<b>(5,578,441)</b>	<b>(221,313)</b>	<b>2,428,627</b>
<b>INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$ (4,955,745)</b>	<b>\$ (677,194)</b>	<b>\$ 3,109,897</b>

**ABSOLUTE FUNDS**
**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>ABSOLUTE STRATEGIES FUND</b>		<b>ABSOLUTE CAPITAL OPPORTUNITIES FUND</b>	
	<b>For the Years Ended March 31,</b>		<b>For the Years Ended March 31,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>OPERATIONS</b>				
Net investment income (loss)	\$ 622,696	\$ (3,124,283)	\$ (455,881)	\$ (206,793)
Net realized gain (loss)	12,242,462	40,719,646	(374,724)	3,024,654
Net change in unrealized appreciation (depreciation)	(17,820,903)	(59,546,040)	153,411	(946,944)
Increase (Decrease) in Net Assets Resulting from Operations	<u>(4,955,745)</u>	<u>(21,950,677)</u>	<u>(677,194)</u>	<u>1,870,917</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>				
Institutional Shares	—	—	(3,116,040)	—
Total Distributions Paid	<u>—</u>	<u>—</u>	<u>(3,116,040)</u>	<u>—</u>
<b>CAPITAL SHARE TRANSACTIONS</b>				
Sale of shares:				
Institutional Shares	11,209,235	40,442,084	30,723,159	16,426,763
R Shares	8,914	4,996,291	—	—
Reinvestment of distributions:				
Institutional Shares	—	—	3,100,478	—
Redemption of shares:				
Institutional Shares	(84,702,444)	(354,894,965)	(11,409,879)	(147,450)
R Shares	(4,836,461)	(18,458,224)	—	—
Increase (Decrease) in Net Assets from Capital Share Transactions	<u>(78,320,756)</u>	<u>(327,914,814)</u>	<u>22,413,758</u>	<u>16,279,313</u>
Increase (Decrease) in Net Assets	<u>(83,276,501)</u>	<u>(349,865,491)</u>	<u>18,620,524</u>	<u>18,150,230</u>
<b>NET ASSETS</b>				
Beginning of Year	171,324,189	521,189,680	32,337,934	14,187,704
End of Year	<u>\$ 88,047,688</u>	<u>\$ 171,324,189***</u>	<u>\$ 50,958,458</u>	<u>\$ 32,337,934</u>
<b>SHARE TRANSACTIONS</b>				
Sale of shares:				
Institutional Shares	1,366,604	4,731,888	2,540,691	1,302,256
R Shares	1,126	599,477	—	—
Reinvestment of distributions:				
Institutional Shares	—	—	279,322	—
Redemption of shares:				
Institutional Shares	(10,367,411)	(42,135,763)	(971,923)	(12,164)
R Shares	(616,835)	(2,260,126)	—	—
Increase (Decrease) in Shares	<u>(9,616,516)</u>	<u>(39,064,524)</u>	<u>1,848,090</u>	<u>1,290,092</u>

\* Commencement of operations.

\*\* Distributions for March 31, 2018, were the result of net realized gain of \$94,585 for Absolute Convertible Arbitrage Fund.

\*\*\* Includes undistributed net investment income (accumulated net investment loss) of \$(585,480) and \$794,896 (restated, see Note 2) for Absolute Strategies Fund and Absolute Convertible Arbitrage Fund, respectively, at March 31, 2018. The requirement to disclose the corresponding amount as of March 31, 2019 was eliminated.

\*\*\*\* Net investment income (loss), Net realized gain (loss) and Net change in unrealized appreciation (depreciation) for the period ended March 31, 2018 were restated. See Note 2.

**ABSOLUTE FUNDS**

## STATEMENTS OF CHANGES IN NET ASSETS

	<b>ABSOLUTE CONVERTIBLE ARBITRAGE FUND</b>	
	<b>For the Year Ended March 31, 2019</b>	<b>August 14, 2017* through March 31, 2018</b>
<b>OPERATIONS</b>		
Net investment income (loss)	\$ 681,270	\$ 69,029****
Net realized gain (loss)	(856,938)	59,325****
Net change in unrealized appreciation (depreciation)	3,285,565	736,566****
Increase in Net Assets Resulting from Operations	<u>3,109,897</u>	<u>864,920</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Total Distributions Paid	<u>(1,344,999)</u>	<u>(94,585)**</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Sale of shares	41,029,333	55,873,359
Reinvestment of distributions	1,246,920	94,585
Redemption of shares	(11,338,173)	(673,583)
Increase in Net Assets from Capital Share Transactions	<u>30,938,080</u>	<u>55,294,361</u>
Increase in Net Assets	<u>32,702,978</u>	<u>56,064,696</u>
<b>NET ASSETS</b>		
Beginning of Year	56,064,696	-
End of Year	<u>\$ 88,767,674</u>	<u>\$ 56,064,696***</u>
<b>SHARE TRANSACTIONS</b>		
Sale of shares	3,985,738	5,506,489
Reinvestment of distributions	122,014	9,273
Redemption of shares	<u>(1,096,217)</u>	<u>(66,790)</u>
Increase in Shares	<u>3,011,535</u>	<u>5,448,972</u>

**ABSOLUTE FUNDS**  
FINANCIAL HIGHLIGHTS

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

Period Ended	Investment Operations				Distributions to Shareholders from:			Net Asset Value, End of Period	Total Return
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)(a)	Net Realized and Unrealized Gains (Losses) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gains	Total Distribution to Shareholders		
<b>ABSOLUTE STRATEGIES FUND</b>									
<b>INSTITUTIONAL SHARES</b>									
3/31/2019	\$ 8.37	\$0.04	(\$0.31)	(\$0.27)	\$—	\$—	\$—	\$8.10	(3.23)%
3/31/2018	8.76	(0.07)	(0.32)	(0.39)	—	—	—	8.37	(4.45)
3/31/2017	10.40	(0.10)	(0.23)	(0.33)	—	(1.31)	(1.31)	8.76	(3.40)
3/31/2016	11.04	(0.11)	0.31	0.20	—	(0.84)	(0.84)	10.40	2.05
3/31/2015	11.01	(0.08)	0.11	0.03	—	—	—	11.04	0.27
<b>ABSOLUTE CAPITAL OPPORTUNITIES FUND</b>									
<b>INSTITUTIONAL SHARES</b>									
3/31/2019	\$ 12.52	(\$0.12)	(\$0.13)	(\$0.25)	\$—	(\$0.77)	(\$0.77)	\$11.50	(1.78)%
3/31/2018	10.97	(0.15)	1.70	1.55	—	—	—	12.52	14.13
3/31/2017	10.21	(0.16)	0.92	0.76	—	—	—	10.97	7.44
3/31/2016(c)	10.00	(0.03)	0.24	0.21	—	—	—	10.21	2.10(d)
<b>ABSOLUTE CONVERTIBLE ARBITRAGE FUND</b>									
<b>INSTITUTIONAL SHARES</b>									
3/31/2019	\$ 10.29	\$0.10	\$0.30	\$0.40	(\$0.05)	(\$0.15)	(\$0.20)	\$10.49	3.95%
3/31/2018(f)	10.00	0.02(g)	0.29(g)	0.31	—	(0.02)	(0.02)	10.29	3.14(d)

- (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.  
(g) Net investment income and net realized and unrealized gain (loss) on investments for the period ended March 31, 2018 were restated. See Note 2.

**ABSOLUTE FUNDS**  
FINANCIAL HIGHLIGHTS

Ratios/Supplemental Data (Ratios to Average Net Assets)

Net Assets, End of Period (000's)	Net Investment Income (Loss)	Net Expenses	Dividend and Interest Expenses	Net Expenses without Dividend and Interest Expenses	Gross Expenses	Portfolio Turnover
\$88,048	0.49%	1.67%	0.05%	1.62%	2.31%(b)	33%
166,373	(0.87)	2.78	0.82	1.96	2.94(b)	86
501,866	(0.99)	2.86	0.95	1.91	2.89(b)	72
916,747	(1.02)	2.65	0.81	1.84	2.66(b)	70
1,592,872	(0.70)	2.58	0.79	1.79	2.58	78
\$50,958	(0.99)%	3.02%	1.27%	1.75%	3.21%(b)	23%
32,338	(1.30)	2.66	0.86	1.79	3.52(b)	66
14,188	(1.53)	2.62	0.70	1.92	3.70(b)	29
12,221	(1.13)(e)	2.20(e)	0.25(e)	1.95(e)	4.37(b)(e)	6(d)
\$88,768	0.95%	1.91%	0.31%	1.60%	2.16%(b)	121%
56,065	0.35(e)(g)	2.23(e)	0.60(e)	1.63(e)	3.13(b)(e)	76(d)

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**ABSOLUTE FUNDS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

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**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 Institutional Shares. Institutional 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.

With respect to the Absolute Strategies Fund, on March 27, 2018, the Trust’s Board of Trustees approved the conversion of the outstanding shares of the Absolute Strategies Fund’s R Shares, in a tax-free exchange into shares of the Fund’s Institutional Shares and the closure of the R Shares to new investments. On August 1, 2018, each shareholder of the R Shares received Institutional Shares in a dollar amount equal to their investment in the R Shares as of that date.

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:

<b>Date of Contribution</b>	<b>Net Assets</b>	<b>Shares</b>	<b>Market Value of Investments</b>
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

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**ABSOLUTE FUNDS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

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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 will be valued at amortized cost.

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 3, 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, 2019, 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 are 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 are 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

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**ABSOLUTE FUNDS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

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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 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, 2019, for Absolute Strategies Fund, are disclosed in the Notes to Schedule of Investments and Put Options Written.

**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.



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**ABSOLUTE FUNDS**

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**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 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, 2019, 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, 2019, 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, 2019, 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.

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**ABSOLUTE FUNDS**

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

The Funds did not enter into any interest rate swaps during the year ended March 31, 2019.

**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, 2019, 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. During the year ended March 31, 2019, the Fund expensed \$20,992.

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**ABSOLUTE FUNDS**

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**Accounting Method Change** – For the fiscal year beginning April 1, 2018, the Funds elected to change its method of determining the amount of premium associated with the purchase of convertible bonds, which resulted in adjusting the amount of premium amortization from the prior period. The financial highlights for the period ended March 31, 2018 have been restated to apply this new method retrospectively. The financial statement lines for Net investment income (loss), Net realized gain (loss), Net change in unrealized appreciation (depreciation) and undistributed net investment income, as presented on the Statements of Changes in Net Assets for Absolute Convertible Arbitrage Fund, for the period ended March 31, 2018 were also restated by this change.

<b>Statement of Changes in Net Assets</b>	<b>Period Ended March 31, 2018</b>	<b>Restated Period Ended March 31, 2018</b>	<b>Change</b>
Net investment income (loss)	\$ (415,801)	\$ 69,029	\$ 484,830
Net realized gain (loss)	127,442	59,325	(68,117)
Net change in unrealized appreciation (depreciation)	1,153,279	736,566	(416,713)
Undistributed net investment income	310,066	794,896	484,830

<b>Financial Highlights</b>	<b>Period Ended March 31, 2018</b>	<b>Restated Period Ended March 31, 2018</b>	<b>Change</b>
Net Investment Income (Loss) per share	\$ (0.13)	\$ 0.02	\$ 0.15
Net Realized and Unrealized Gains (Losses) on Investments per share	0.44	0.29	(0.15)
Net Investment Income (Loss) ratio	(2.08)%	0.35%	2.43%

**Note 3. 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.

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 Funds do not have a distribution (12b-1) plan; accordingly, the Distributor does not receive compensation from the Funds for its distribution services. The Adviser compensates the Distributor directly for its services. The Distributor is not affiliated with the Adviser or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) (“Atlantic”) or their affiliates.

**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** – The Trust pays each independent Trustee an annual retainer of \$31,000 for services to the Trust (\$41,000 for the Chairman). The Audit Committee Chairman receives an additional \$2,000 annually. The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his or her duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees’ fees attributable to 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 4. Expense Reimbursement and Fees Waived**

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

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**ABSOLUTE FUNDS**

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Institutional Shares to 1.99%, through August 1, 2019. For the year ended March 31, 2019, the Adviser waived fees and reimbursed expenses of \$60,794 for Absolute Strategies Fund. During the period, Absolute Strategies Fund invested in Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund. As of March 31, 2019, Absolute Strategies Fund owned approximately 38.7% and 27.4% 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 from Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund based on Absolute Strategies Fund's investment in Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund. For the year ended March 31, 2019, the Adviser waived fees of \$755,273 related to these affiliated investments and these waivers are not subject to recoupment.

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 Fund to 1.75% through August 1, 2019. The Adviser waived fees of \$83,980 for Absolute Capital Opportunities Fund for the year ended March 31, 2019.

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. Other Fund service providers have voluntarily agreed to waive a portion of their fees. The Adviser waived fees of \$116,192 and Other Fund service providers waived fees of \$65,695, for Absolute Convertible Arbitrage Fund, for the year ended March 31, 2019.

The Funds 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, 2019, \$177,936, \$361,074 and \$279,863 for Absolute Strategies Fund, Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund, respectively, is subject to recapture by the Adviser.

**Note 5. Security Transactions**

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the year ended March 31, 2019, were as follows:

	<b>Non-U.S. Government Obligations</b>	
	<b>Purchases</b>	<b>Sales</b>
Absolute Strategies Fund	\$ 31,107,974	\$ 82,570,532
Absolute Capital Opportunities Fund	22,805,407	6,899,162
Absolute Convertible Arbitrage Fund	99,954,400	76,165,045

**Note 6. 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, 2019, for any derivative type during the year is as follows:

	<b>Absolute Strategies Fund</b>	<b>Absolute Capital Opportunities Fund</b>
Futures Contracts	\$ 1,899,312,869	\$ -
Purchased Options	17,942,708	9,849,550
Written Options	(3,522,257)	(3,822,776)

Each Fund's use of derivatives for the period ended March 31, 2019, was limited to options and futures contracts.

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Following is a summary of the effect of derivatives on the Statements of Assets and Liabilities as of March 31, 2019:

**Absolute Strategies Fund**

<u>Location:</u>	<u>Equity Risk</u>
<b>Asset derivatives:</b>	
Investments, at value	\$ 861,125
<b>Liability derivatives:</b>	
Put options written	\$ (130,250)

**Absolute Capital Opportunities Fund**

<u>Location:</u>	<u>Equity Risk</u>
<b>Asset derivatives:</b>	
Investments, at value	\$ 2,705,654
<b>Liability derivatives:</b>	
Call options written	\$ (11,630)
Put options written	(670,901)
<b>Total liability derivatives</b>	<u>\$ (682,531)</u>

Realized and unrealized gains and losses on derivatives contracts for the year ended March 31, 2019, 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>Currency Contracts</u>	<u>Equity Contracts</u>	<u>Interest Contracts</u>	<u>Total</u>
<b>Net realized gain (loss) on:</b>					
Investments	\$ -	\$ -	\$ (171,866)	\$ -	\$ (171,866)
Written options	-	-	(721,867)	-	(721,867)
Futures	(492,067)	22,838	787,231	(43,647)	274,355
<b>Total net realized gain (loss)</b>	<u>\$ (492,067)</u>	<u>\$ 22,838</u>	<u>\$ (106,502)</u>	<u>\$ (43,647)</u>	<u>\$ (619,378)</u>
<b>Net change in unrealized appreciation (depreciation) on:</b>					
Investments	\$ -	\$ -	\$ (309,811)	\$ -	\$ (309,811)
Written options	-	-	79,747	-	79,747
Futures	42,192	-	(2,586,875)	-	(2,544,683)
<b>Total net change in unrealized appreciation (depreciation)</b>	<u>\$ 42,192</u>	<u>\$ -</u>	<u>\$ (2,816,939)</u>	<u>\$ -</u>	<u>\$ (2,774,747)</u>

**Absolute Capital Opportunities Fund**

<u>Location:</u>	<u>Equity Contracts</u>
<b>Net realized gain (loss) on:</b>	
Investments	\$ (1,212,473)
Written options	1,023,838
<b>Total net realized gain (loss)</b>	<u>\$ (188,635)</u>
<b>Net change in unrealized appreciation (depreciation) on:</b>	
Investments	\$ 1,033,615
Written options	393,118
<b>Total net change in unrealized appreciation (depreciation)</b>	<u>\$ 1,426,733</u>

**ABSOLUTE FUNDS**

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Asset (Liability) amounts shown in the table below represent amounts for derivative related investments at March 31, 2019. These amounts may be collateralized by cash or financial instruments.

	<b>Gross Asset (Liability) as Presented in the Statement of Assets and Liabilities</b>	<b>Financial Instruments (Received) Pledged*</b>	<b>Cash Collateral (Received) Pledged*</b>	<b>Net Amount</b>
<b>Absolute Strategies Fund</b>				
<b>Assets:</b>				
Over-the-counter derivatives**	\$ 861,125	\$ -	\$ -	\$ 861,125
<b>Liabilities:</b>				
Over-the-counter derivatives**	(130,250)	130,250	-	-
<b>Absolute Capital Opportunities Fund</b>				
<b>Assets:</b>				
Over-the-counter derivatives**	2,705,654	-	-	2,705,654
<b>Liabilities:</b>				
Over-the-counter derivatives**	(682,531)	682,531	-	-

\* 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 and futures 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 7. Federal Income Tax**

As of March 31, 2019, cost for federal income tax and net unrealized appreciation consists of:

	<b>Tax Cost of Investments</b>	<b>Gross Unrealized Appreciation</b>	<b>Gross Unrealized Depreciation</b>	<b>Net Unrealized Appreciation</b>
Absolute Strategies Fund	\$ 72,819,422	\$ 6,391,303	\$ (1,756,289)	\$ 4,635,014
Absolute Capital Opportunities Fund	(11,030,154)	5,750,291	(4,781,931)	968,360
Absolute Convertible Arbitrage Fund	44,108,329	8,732,026	(7,510,963)	1,221,063

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

	<b>Ordinary Income</b>	<b>Long-Term Capital Gain</b>	<b>Total</b>
Absolute Strategies Fund			
2019	\$ -	\$ -	\$ -
2018	-	-	-
Absolute Capital Opportunities Fund			
2019	1,813,006	1,303,034	3,116,040
2018	-	-	-
Absolute Convertible Arbitrage Fund			
2019	934,713	410,286	1,344,999
2018	94,585	-	94,585

As of March 31, 2019, distributable earnings (accumulated loss) on a tax basis were as follows:

	<b>Undistributed Ordinary Income</b>	<b>Undistributed Long-Term Gain</b>	<b>Capital and Other Losses</b>	<b>Unrealized Appreciation</b>	<b>Total</b>
Absolute Strategies Fund	\$ 22,778	\$ -	\$ (34,827,226)	\$ 4,634,962	\$ (30,169,486)
Absolute Capital Opportunities Fund	-	-	(1,227,596)	968,328	(259,268)
Absolute Convertible Arbitrage Fund	447,533	866,637	-	1,221,063	2,535,233

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 and partnerships.

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**ABSOLUTE FUNDS**

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As of March 31, 2019, the Absolute Strategies Fund and Absolute Capital Opportunities Fund had \$34,827,226 and \$526,212 of available short-term capital loss carryforwards that have no expiration date. The Absolute Capital Opportunities Fund also has \$26,979 of available long-term capital loss carryforwards that have no expiration date.

For tax purposes, the current year post-October loss was \$504,301 for Absolute Capital Opportunities Fund (realized during the period November 1, 2018 through March 31, 2019, and the current deferred late year ordinary loss was \$170,104 for Absolute Capital Opportunities Fund (realized during the period January 1, 2019 through March 31, 2019). These losses were recognized for tax purposes on the first business day of the Fund's current fiscal year, April 1, 2019.

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, 2019. The following reclassifications were the result of book to tax differences resulting from net operating loss, partnerships and organization cost amortization and have no impact on the net assets of each Fund.

	<b>Distributable Earnings</b>	<b>Paid-in-Capital</b>
Absolute Strategies Fund	\$ (322)	\$ 322
Absolute Capital Opportunities Fund	341,206	(341,206)

**Note 8. Recent Accounting Pronouncements**

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2018-13 "Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13") which includes amendments intended to improve the effectiveness of disclosures in the notes to financial statements. For example, ASU 2018-13 includes additional disclosures regarding the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and clarifications to the narrative description of measurement uncertainty disclosures. ASU 2018-13 is effective for interim and annual periods beginning after December 15, 2019. Early adoption is permitted and the Funds have adopted ASU 2018-13 within these financial statements.

In September 2018, the Securities and Exchange Commission released Final Rule 33-10532 captioned "Disclosure Update and Simplification," which includes: (i) an amendment to require presentation of the total, rather than the components, of distributable earnings on the Statements of Assets and Liabilities; and (ii) an amendment to require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, on the Statements of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statements of Changes in Net Assets. These changes were effective November 5, 2018. These amendments are reflected in the Funds' financial statements for the year ended March 31, 2019.

In March 2017, the FASB issued 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. The Funds have adopted ASU No. 2017-08 within these financial statements.

**Note 9. Subsequent Events**

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact, and 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 and Absolute Capital Opportunities Fund, each a series of shares of beneficial interest in Forum Funds (the “**Funds**”), including the schedules of investments, as of March 31, 2019, and the related statements 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 or periods noted in the table below, and the related notes (collectively referred to as the “**financial statements**”).

We have also audited the accompanying statement of assets and liabilities of Absolute Convertible Arbitrage Fund, (collectively with the above entities, the “**Funds**”), including the schedule of investments, as of March 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for the year then ended and for the period August 14, 2017 (commencement of operations) to March 31, 2018 and the financial highlights for each of the years or periods noted in the table below, 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, 2019, and the results of their operations for the year then ended, the changes in their net assets for each of the years or periods in the two-year period then ended and their financial highlights as detailed below, in conformity with accounting principles generally accepted in the United States of America.

	Financial Highlights
Absolute Strategies Fund	For each of the years in the five-year period ended March 31, 2019
Absolute Capital Opportunities Fund	For the period December 30, 2015 (commencement of operations) to March 31, 2016 and each of the years in the three-year period ended March 31, 2019
Absolute Convertible Arbitrage Fund	For the period August 14, 2017 (commencement of operations) to March 31, 2018 and the year ended March 31, 2019

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 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 March 31, 2019 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.



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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*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  
May 30, 2019

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**Investment Advisory Agreement Approval**

At the December 7, 2018 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreements between Absolute Investment Advisers LLC (the "Adviser") and the Trust pertaining to the Absolute Funds (the "Advisory Agreements") and the subadvisory agreements between the Adviser and the following subadvisers to the Absolute Funds: Kovitz Investment Group Partners, LLC; Mohican Financial Management, LLC; Tortoise Capital Advisers, LLC and St. James Investment Company, LLC (the "Subadvisers") (the "Subadvisory Agreements"). In preparation for its deliberations, the Board requested and reviewed written responses from the Adviser and Subadvisers to due diligence questionnaires circulated on the Board's behalf concerning the services provided by the Adviser and each Subadviser. 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 also received an oral presentation from the Adviser and was advised by Trustee counsel.

At the meeting, the Board reviewed, among other matters: (1) the nature, extent and quality of the services provided to each of the Absolute Funds by the Adviser and Subadvisers, including information on the investment performance of each of the Absolute Funds and Subadvisers; (2) the costs of the services provided and profitability to the Adviser with respect to its relationship with each of the Absolute Funds; (3) the advisory fee and net expense ratio each of the Absolute Funds compared to a relevant peer group of funds; (4) the extent to which economies of scale may be realized as each of the Absolute Funds grows and whether the advisory fee enables each of the Absolute Funds' investors to share in the benefits of economies of scale; and (5) other benefits received by the Adviser and Subadvisers from their respective relationships with the Absolute Funds. In addition, the Board recognized that the evaluation process with respect to the Adviser and each Subadviser was an ongoing one and, in this regard, the Board considered information provided by the Adviser, including about Subadviser performance, at regularly scheduled meetings during the past year.

***Nature, Extent and Quality of Services***

Based on written materials received from the Adviser and each Subadviser, a presentation from senior representatives of the Adviser, and a discussion with the Adviser about the personnel, operations and financial condition of itself and each Subadviser, the Board considered the quality of services provided by the Adviser under the Advisory Agreements and by each Subadviser under each Subadvisory Agreement. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at the Adviser and the Subadvisers with principal responsibility for the Absolute Funds' investments; the investment philosophy and decision-making processes of the Adviser and Subadvisers; the capability and integrity of the Adviser's and each Subadviser's senior management and staff; the quality of the Adviser's and each Subadviser's services with respect to regulatory compliance; and the Adviser's and each Subadviser's representation regarding its financial condition, including that each firm's financial condition would not impair its ability to provide high-quality advisory services to the applicable Fund.

The Board also considered the Adviser's analysis of and recommendations regarding each Subadviser. Based on the presentation and the materials provided by the Adviser and each Subadviser, among other relevant considerations, the Board concluded that, overall, it was satisfied with the nature, extent and quality of services provided to the Absolute Funds by the Adviser under the Advisory Agreements and each Subadviser under its Subadvisory Agreement.

***Performance***

In connection with a presentation by the Adviser regarding its approach to managing the Absolute Funds, including the investment objective and strategy and the Adviser's discussion of the performance of each of the Subadvisers, the Board reviewed the performance of the Absolute Funds compared to their respective benchmark indices. The Board observed that the Strategies Fund underperformed its primary benchmark index, the S&P 500 Index, for the one-, three-, five-, and 10-year periods ended September 30, 2018 and for the period since the Strategies Fund's inception on July 27, 2005. The Board observed that the Capital Opportunities Fund outperformed its primary benchmark index, the HFRX Equity Hedge Index, for the one-year period ended September 30, 2018, and for the period since

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**ABSOLUTE FUNDS**

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the Capital Opportunities Fund's inception on December 30, 2015. The Board also observed that the Arbitrage Fund outperformed its primary benchmark index, the HFRX Fixed Income Convertible Arbitrage Index, for the one-, three-, five-, and 10-year periods ended September 30, 2018, as well as for the period since the Arbitrage Fund's inception on September 30, 2002, though the Board noted that the Arbitrage Fund's performance for periods prior to August 2017 is that of the Arbitrage Fund's predecessor hedge fund.

The Board noted the Adviser's representation that it was not the objective of the Absolute Funds to outperform specific market indices because the Absolute Funds employ unique investment strategies that are intended to seek positive returns over a complete market cycle, irrespective of any benchmark or market performance. The Board also noted the Adviser's representation that the performance of the Absolute Funds tended to deviate from the performance of equity indices, in part, because the Absolute Funds' portfolios are generally comprised of a balance of both long and short positions, unlike the corresponding indices and, in part, because the Absolute Funds' investment strategies include a countercyclical component that is designed to enable the Absolute Funds to outperform the indices in declining markets and that tends to cause the Absolute Funds to underperform the indices in rising markets.

The Board also considered each Absolute Fund's performance relative to a peer group of funds identified by Broadridge Financial Solutions, Inc. ("Broadridge") as having characteristics similar to those of the applicable Absolute Fund. The Board observed that the Strategies Fund underperformed the median of its Broadridge peers for the one-, three-, and five-year periods ended September 30, 2018. The Board also observed that the Capital Opportunities Fund outperformed the median of its Broadridge peers for the one-year period ended September 30, 2018, and that the Convertible Arbitrage Fund performed at the median of its Broadridge peers for the one-year period ended September 30, 2018.

Addressing the Strategies Fund's underperformance relative to its respective Broadridge peer group, the Adviser represented that it does not view the peer funds identified by Broadridge to be the most suitable comparison to the Strategies Fund because the absolute return strategies employed by them were not believed by the Adviser to be comparable to the absolute return strategy employed by the Strategies Fund. At the Adviser's request, the Board reviewed the Strategies Fund's performance compared to additional groups of funds selected by the Adviser and believed by the Adviser to provide a more meaningful comparison than the Strategies Fund's Broadridge peer group (the "Comparable Fund Group"). The Board observed that the Strategies Fund underperformed the median of its Comparable Fund Group for the one-, three-, and five-year periods ended September 30, 2018, but noted that the Strategies Fund's performance more closely approximated the performance of its Comparable Fund Group than the performance of the Broadridge peer group over those periods.

The Board also evaluated the Adviser's assessment of each Subadviser's performance, noting that the Adviser had expressed satisfaction with the performance of each Subadviser and that the Adviser had recommended the continuance of each of the Subadvisory Agreements. The Board acknowledged the Adviser's representation that the different Subadvisers could be expected to achieve different performance results in light of the differences in their strategies, allocated assets, and market environment. The Board also considered the Adviser's explanation that, standing alone, no Subadviser should necessarily be expected to perform in line with the market or with the relevant Absolute Fund's benchmarks. In this regard, the Board noted that the Adviser emphasized its responsibility for allocating each Absolute Fund's assets among Subadvisers on an ongoing basis and its management of an overlay portfolio for the Strategies Fund in order to achieve the investment objective. In view of the respective roles of the Adviser and Subadvisers, the Board determined that it was appropriate to give substantial weight to the Adviser's evaluation of the contribution of each Subadviser to the performance of the applicable Absolute Fund as a whole. In light of the above and other relevant considerations, the Board concluded that the Absolute Funds and their shareholders could benefit from the renewal of the Advisory Agreements and of each of the Subadvisory Agreements.

**Compensation**

The Board evaluated the Adviser's compensation for providing advisory services to each of the Absolute Funds and analyzed comparative information on the actual advisory fee rates and actual total expenses of the relevant Broadridge peer groups. The Board observed that the actual advisory fee rates for the Strategies Fund and Capital

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**ABSOLUTE FUNDS**

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Opportunities Fund were higher than the median of their respective Broadridge peer groups and the actual advisory fee rate for the Arbitrage Fund was less than the median of its Broadridge peer group. The Board observed that the net expense ratio of each of the Absolute Funds was higher than the median of its respective Broadridge peer group ratio.

The Board considered the fact that the Adviser had imposed contractual expense caps on the total expense ratio for each of the Absolute Funds in an effort to ensure that the expenses of the Absolute Funds remained competitive. The Board also considered the Adviser's assertion that it had reduced the contractual advisory fee rate and net expense ratio for the Capital Opportunities Fund, effective February 2, 2018. Further, the Board recognized that the Adviser's fees do not include performance and similar fees paid by hedge funds and other vehicles with which the Absolute Funds compete, given the hedge fund-like nature of their strategies. Finally, the Board noted that the Adviser pays all of the Subadvisers out of its advisory fee.

Under these circumstances, the Board concluded that it was difficult to make meaningful comparisons between the Absolute Funds' actual advisory fee rates and net expense ratios and those of their respective Broadridge peers due to, among other things, variations between the services provided by the Adviser to the Absolute Funds and those provided to the Broadridge peer group funds by their advisers. At the request of the Adviser, the Board also reviewed the advisory fee rates and net expense ratios of the Strategies Fund and Arbitrage Fund compared to each fund's respective Comparable Fund Group, as provided by the Adviser. The Board observed that the net expense ratios of the Strategies Fund and Arbitrage Fund were each higher than the median of its respective Comparable Fund Group. The Board observed that the advisory fees for the Arbitrage Fund were higher than the median of its Comparable Fund Group, and the advisory fees of the Strategies Fund were lower than the median of its Comparable Fund Group. The Board observed that the Strategies Fund and Arbitrage Funds' advisory fees and net expense ratios were more closely aligned with their respective Comparable Fund Groups than their Broadridge peer group. Based on the foregoing, and other relevant considerations, the Board concluded that the advisory fees paid to the Adviser by the Absolute Funds were not unreasonable.

***Cost of Services and Profitability***

The Board considered information provided by the Adviser regarding the costs of services and its profitability with respect to each of the Absolute Funds. In this regard, the Board considered the Adviser's resources devoted to each of the Absolute Funds as well as the Adviser's discussion of the costs and profitability of its mutual fund activities, including the percentage and amount of the Adviser's fee that the Adviser retained and the percentage and amount of the Adviser's fee that was paid to the Subadvisers. Based on these and other applicable considerations, the Board concluded that the Adviser's profits attributable to the management of each of the Absolute Funds were reasonable.

The Board did not consider information regarding the costs of services provided or profits realized by each Subadviser from its relationship with the Absolute Funds, noting instead the arms-length nature of the relationship between the Adviser and the Subadvisers with respect to the negotiation of the subadvisory fee rate on behalf of each Absolute Fund and that the Adviser, and not the Fund, was responsible for paying the subadvisory fees due under each Subadvisory Agreement. Under these circumstances, the Board concluded that each Subadviser's profitability was not a material factor in determining whether to approve the continuance of the Subadvisory Agreements.

***Economies of Scale***

The Board considered whether the Absolute Funds could benefit from economies of scale. The Board considered the Adviser's representation that, although each of the Absolute Funds could potentially benefit from economies of scale as assets grow, the Adviser had determined not to recommend breakpoints in the advisory fees at this time due, in part, to the asset sizes of the Absolute Funds. The Board noted that the Strategies Fund's assets had declined sharply over the period. With respect to the Capital Opportunities Fund and Arbitrage Fund, the Board noted the Adviser's representation that the consideration of breakpoints was not appropriate at this time, given the current low asset levels and because Absolute had recently lowered the contractual advisory fee rate and expense cap for the Capital Opportunities Fund. Based on the foregoing information, and other applicable considerations, the Board concluded that economies of scale were not a material factor in approving the Advisory Agreements.

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**ABSOLUTE FUNDS**

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**Other Benefits**

The Board noted the Adviser's representation that, aside from its contractual advisory fees, it does not benefit in a material way from its relationship with the Absolute Funds. Based on the foregoing representation, the Board concluded that other benefits received by the Adviser from its relationship with the Absolute Funds were not a material factor in approving the continuation of the Advisory Agreements.

**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. In light of the fact that each Absolute Fund is a multi-manager Fund, however, for which the Adviser identifies Subadvisers whose strategies it seeks to combine to achieve the Fund's investment objective, when considering the renewal of the Subadvisory Agreements, the Board gave significant weight to the Adviser's recommendation that each Subadvisory Agreement be renewed and to the Adviser's representation that the reappointment of the Subadvisers would positively contribute to the Adviser's successful execution of each of the Absolute Funds' overall strategies. The Board reviewed a memorandum from Fund counsel discussing the legal standards applicable to its consideration of the Advisory Agreements and Subadvisory Agreements. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its reasonable business judgment, that the advisory arrangement, as outlined in each Advisory Agreement and in each Subadvisory Agreement, was fair and reasonable in light of the services performed, expenses incurred and such other matters as the Board considered relevant.

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

**Shareholder Expense Example**

As a shareholder of the 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, 2018 through March 31, 2019.

**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.

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**ABSOLUTE FUNDS**

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**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.

	<b>Beginning Account Value October 1, 2018</b>	<b>Ending Account Value March 31, 2019</b>	<b>Expenses Paid During Period*</b>	<b>Annualized Expense Ratio*</b>
<b>Absolute Strategies Fund</b>				
<b>Institutional Shares</b>				
Actual	\$ 1,000.00	\$ 1,012.50	\$ 6.49	1.29%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,018.48	\$ 6.51	1.29%
<b>Absolute Capital Opportunities Fund</b>				
Actual	\$ 1,000.00	\$ 1,031.64	\$ 15.67	3.09%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,009.51	\$ 15.50	3.09%
<b>Absolute Convertible Arbitrage Fund</b>				
Actual	\$ 1,000.00	\$ 1,025.59	\$ 8.50	1.68%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,016.54	\$ 8.46	1.68%

\* 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 Capital Opportunities Fund designates 6.35% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 8.65% for the qualified dividend rate (QDI) as defined in section 1(h)(11) of the Code. The Absolute Capital Opportunities Fund also designates 100.00% of its income dividends as short term capital dividends exempt from U.S. tax for foreign shareholders (QSD).

The Absolute Convertible Arbitrage Fund designates 16.22% of its income dividends as qualified interest income exempt from U.S. tax for foreign shareholders (QII). The Absolute Convertible Arbitrage Fund also designates 66.82% of its income dividends as QSD.

Pursuant to Section 852(b)(3) of the Internal Revenue Code, Absolute Capital Opportunities Fund and Absolute Convertible Arbitrage Fund designated \$1,303,034 and \$410,286, as long-term capital gain dividends, respectively.

**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

**ABSOLUTE FUNDS**

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of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (888) 992-2765.

<b>Name and Year of Birth</b>	<b>Position with the Trust</b>	<b>Length of Time Served</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Series in Fund Complex Overseen By Trustee</b>	<b>Other Directorships Held By Trustee During Past Five Years</b>
<b>Independent Trustees</b>					
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
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 (a registered investment adviser), 1996-2010.	3	Trustee, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds
<b>Interested Trustees</b>					
Stacey E. Hong <sup>(1)</sup> Born: 1966	Trustee	Since 2018	President, Atlantic since 2008.	3	Trustee, Forum Funds II and U.S. Global Investors Funds
Jessica Chase <sup>(1)</sup> Born: 1970	Trustee	Since 2018	Senior Vice President, Atlantic since 2008.	3	None

<sup>(1)</sup>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, 2019

<b>Name and Year of Birth</b>	<b>Position with the Trust</b>	<b>Length of Time Served</b>	<b>Principal Occupation(s) During Past 5 Years</b>
<b>Officers</b>			
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.
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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**DISTRIBUTOR**

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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.