



LISANTI SMALL
CAP GROWTH FUND

SEMI-ANNUAL REPORT
JUNE 30, 2019
(UNAUDITED)

LISANTI SMALL CAP GROWTH FUND

A MESSAGE TO OUR SHAREHOLDERS

JUNE 30, 2019

Dear Shareholder,

The equity markets continued to deliver very strong returns in the first half of 2019, as they rebounded from the decline seen in the fourth quarter of 2018. All aspects of the U.S. equity market participated: the S&P 500 index increased 18.54%, while the Russell 2000 Index, which is an index of the 2000 smallest market capitalization stocks in the United States, increased 16.98%. Growth continued to outpace value for the first six months of 2019, across all market capitalization ranges. The Russell 1000 Growth Index, which is an index of the 1000 largest market capitalization stocks with the highest growth rate in the United States increased 21.49%, versus the Russell 1000 Value Index which returned 16.24%. The difference in the smaller stocks was even more striking, with the Russell 2000 Growth Index returning 20.36%, while the Russell 2000 Value Index returned 13.47%. The Lisanti Small Cap Growth Fund (the “Fund”) outperformed its benchmark, the Russell 2000 Growth Index, returning 24.90% net versus 20.36% for the Index.

After the strong rebound in the first quarter of 2019, the market treaded water as it absorbed increasingly conflicting information about the economy, and concerns over the trade war with China mounted. We see the macroeconomic backdrop as supportive of our view that the global economy is wrestling with secular and cyclical cross currents that “muddy the waters”. We believe that the intersection of the “secular” and the “cyclical” is creating a lot of confusion in the minds of investors—and even central bankers. If one looks at the world through the traditional “macroeconomic” lens, then it is confusing: in the United States, inflation is not rising, even though unemployment is at extremely low levels and the economy is growing; parts of the economy feel very fragile, such as housing starts, which has been below expectations for much of this year while parts of the economy seem very strong (technology, internet communications, etc.). We tend to look at the world through the lens of change. If one views the world as transitioning from the “old”, industrially focused economy to the “new” more technologically focused economy, we believe one can gain greater clarity. Quite simply, we believe the transition from “old to “new” is accelerating. The amount of innovation and the pace at which that innovation is occurring is quite disruptive and we believe it will create winners and losers. Most interestingly, to us, it appears that the United State economy is adapting most quickly, and is poised to take advantage of these secular trends, as our economy is flexible and innovative enough to overcome these secular issues, and even thrive on them, but not every economy is. The rest of the world seems struggling to grow. Many of the emerging market economies have been in recession for a period of time, as their debt is priced in US dollars and their economies are tied to the price of oil; Europe’s economy seems mired in issues with the UK (Brexit), France and Italy. Add to that the issues with the seemingly escalating trade war between the United States and China, and it is easy to see why investors might be “on edge”, and why the market might be subject to sharp drops on the least indication of negative news. The offsetting factor, however, is that the Federal Reserve seems to be willing to ease, and provide enough liquidity to keep any of the extraneous factors from providing to severe a “jolt” to the U.S. economy.

The best performing sector for our strategy in the first half of 2019 was Information Technology. In the Technology sector we have focused on software companies. We believe there are several changes occurring in the software industry that are secular and significantly advantage smaller, fast growing, newer companies. Our research has indicated that the architecture of the “third generation software” (cloud and hybrid cloud)

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is radically different from that of client-server. Thus, we believe the transition from client-server to cloud will take place more quickly than did the shift from mainframe to client server. We believe the newer software companies, which embed the new architecture, will be in a position to gain significant market share relative to the older, more client-server centric software companies. As you may know, these companies have a business model that requires a lot of upfront investment, but once they pass the breakeven point their profitability can be quite high—not unlike medical device or biotechnology companies. Thus, accelerating cash flow and profitability could have a significant positive impact on price/earnings multiples for these companies. We believe we may be early in this transition. Lastly, for many companies, an increasing focus on capital expenditures translates into spending on technology software, to drive sales, improve marketing, streamline processes, etc. We believe we are in the early stages of what could be a significant increase in technology spending over several years. Many of the companies in which we are invested will be, we believe, well positioned on the change curve.

Technology was followed closely by Consumer Discretionary in terms of contribution to returns. While the Consumer Discretionary sector seems to us to continue to be roiled with cross currents, we have often found that our process works very well in environments where there are a lot of cross currents, as our thematic overlay helps us hone in on what is differentiated and critical in the space. We continue to be focused on a combination of “secular growth” stories—companies that are on the leading edge of change, and have been therefore able to navigate the different consumer preferences and be truly multi-channel, with unique products and services—and what we call “transformational growth” companies, or turnarounds—companies with short term issues, that appeared based on our research to be mispriced relative to their growth prospects. Again, we think that the Consumer Discretionary sector is one in which there is a tremendous amount of disruption, potentially, as the Millennials move into their peak spending years. For example, we saw a “new model” retailer come public in this first half of the year: they conduct their business totally online; they have invested in social media, targeting “influencers”, as opposed to traditional advertising/marketing spending. They receive a significant amount of business through Instagram. They have no merchants—they use data analytics and artificial intelligence to determine how to “curate” the products they put on the website. Historically, the conventional wisdom has been that, if you were a traditional retailer, you could gradually transition to the internet and you needed to be “Omni channel”—have both bricks and mortar and an online presence. This new business model might argue that there is a huge penalty to moving slowly, and that Omni channel is not always necessary. . . . more importantly, the ability to use “influencers” is something that many retailers have been slow to embrace, and some just cannot utilize them well because of the breadth of product they offer.

Our top detractors from a sector perspective were Industrials and Energy. Interestingly, our poorest performers in the first half of the year were not just those companies that stumbled in executing their strategy, for various reasons, or did not meet the growth targets of investors, but those that were perceived to be tied to industries that have been identified as “losing” in this new economic age. Energy appears to continue to be hurt by increasing production levels and concerns over the discipline that OPEC will have around production, but also as climate change becomes more “center stage” in the national conversation, the energy sector appears to be viewed as increasingly disadvantaged. Industrials generally have been plagued by concerns

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around higher interest rates, higher material and labor costs and the possible negative impact of increased tariffs on raw materials (such as steel) and the escalation of trade disputes.

We continue to be constructive on small cap growth stocks. While the economic outlook remains positive, it is far more nuanced than it was one year ago—we do acknowledge there are risks to that outlook and more than the normal uncertainties, given the trade rhetoric and the coming election year. We do not believe there will be a domestic recession at this point, but we continue to believe the environment will be “confusing” as the cyclical and secular trends intersect, and we see a clear dichotomy between larger capitalization stocks and the smaller, more domestically focused and more secularly well positioned companies. We think a more nuanced investment backdrop points towards more dispersion among returns from individual stocks, which we believe will make 2019 a stock picker’s market. In this environment we are focused on identifying those companies whose returns are being driven by secular, structural, and transformative changes. We continue to work hard on your behalf and thank you for investing in the strategy.

Sincerely,



Mary Lisanti, CFA
President & Portfolio Manager

IMPORTANT RISKS AND DISCLOSURES

An investment in the Fund is subject to risk, including the possible loss of principal amount invested. The Fund invests in smaller companies, which carry greater risk than is associated with larger companies for various reasons such as narrower markets, limited financial resources and less liquid stock. The Fund’s investments in growth securities may be more sensitive to company earnings and more volatile than the market in general. Investments in technology companies are vulnerable to factors affecting that sector, such as dependency on consumer and business acceptance as new technology evolves. Investments in the Industrial sector can be significantly affected by business cycle fluctuations, worldwide economy growth, government and corporate spending and others. Investments in health care companies may be affected by government regulations and government healthcare programs, changes in the cost of medical products and services, limited product lines, product liability claims, and patent protection, among other factors.

The views in this report were those of the Fund manager as of June 30, 2019, and may not necessarily reflect her views on the date this report is first published or anytime thereafter. These views are intended to assist shareholders in understanding the Fund’s investment methodology and do not constitute investment advice. Although the Fund manager believes she has a reasonable basis for any opinions or views expressed, actual results may differ, sometimes significantly so, from those expected or expressed. All current and future holdings of the Fund are subject to risk and are subject to change.

LISANTI SMALL CAP GROWTH FUND
PERFORMANCE CHART AND ANALYSIS
JUNE 30, 2019

The following chart reflects the change in the value of a hypothetical \$10,000 investment, including reinvested dividends and distributions, in the Lisanti Small Cap Growth Fund (the "Fund") compared with the performance of the benchmark, Russell 2000 Growth Index ("Russell 2000 Growth"), over the past ten fiscal years. The Russell 2000 Growth, the Fund's primary performance benchmark, measures the performance of those Russell 2000 Growth companies with higher price-to-value ratios and higher forecasted growth values. The total return of the index includes the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the index does not include expenses. The Fund is professionally managed, while the index is unmanaged and is not available for investment.

**Comparison of Change in Value of a \$10,000 Investment
Lisanti Small Cap Growth Fund vs. Russell 2000 Growth Index**



**Average Annual Total Returns
Periods Ended June 30, 2019**

	One Year	Five Year	Ten Year
Lisanti Small Cap Growth Fund	7.90%	11.93%	16.30%
Russell 2000 Growth Index	-0.49%	8.63%	14.41%

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 2.32%. 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, proxy expenses, and extraordinary expenses) to 1.35%, through April 30, 2020 (the "Expense Cap"). The Expense Cap may be raised or eliminated only with the consent of the Board of Trustees. The adviser may be reimbursed by the Fund for fees waived and expenses reimbursed by the adviser pursuant to the Expense Cap if such payment is made within three years of the fee waiver or expense reimbursement and does not cause the Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement to exceed the lesser of (i) the then-current Expense Cap and (ii) the Expense Cap in place at the time the fees/expenses were waived/reimbursed. Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement will increase if exclusions from the Expense Cap apply. Shares redeemed or exchanged within 30 days of purchase will be charged a 1.00% redemption fee. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized. For the most recent month-end performance, please call (800) 441-7031.

LISANTI SMALL CAP GROWTH FUND
SCHEDULE OF INVESTMENTS

JUNE 30, 2019

Shares	Security Description	Value	Shares	Security Description	Value
Common Stock - 96.4%			Health-Care - 26.3% (continued)		
Consumer Discretionary - 22.3%			14,390	Tandem Diabetes Care, Inc. ^(a)	\$ 928,443
16,875	Boot Barn Holdings, Inc. ^(a)	\$ 601,425	7,565	TransMedics Group, Inc. ^(a)	219,309
13,785	Chegg, Inc. ^(a)	531,963	3,345	Veeva Systems, Inc., Class A ^(a)	542,258
3,960	Deckers Outdoor Corp. ^(a)	696,841	26,800	Veracyte, Inc. ^(a)	764,068
3,460	Five Below, Inc. ^(a)	415,269	6,965	Vocera Communications, Inc. ^(a)	222,323
12,035	Fox Factory Holding Corp. ^(a)	993,008			<u>11,873,222</u>
19,485	Freshpet, Inc. ^(a)	886,762	Industrials - 19.7%		
15,990	KB Home	411,423	11,870	Casella Waste Systems, Inc. ^(a)	470,408
8,115	LGI Homes, Inc. ^(a)	579,655	5,685	Chart Industries, Inc. ^(a)	437,063
8,940	Ollie's Bargain Outlet Holdings, Inc. ^(a)	778,763	13,490	Gardner Denver Holdings, Inc. ^(a)	466,754
11,875	Planet Fitness, Inc., Class A ^(a)	860,225	9,055	Generac Holdings, Inc. ^(a)	628,507
13,710	Revolve Group, Inc. ^(a)	472,995	5,155	Insperty, Inc.	629,632
3,154	Strategic Education, Inc.	561,412	7,460	John Bean Technologies Corp.	903,630
35	The RealReal, Inc. ^(a)	1,012	22,630	Kornit Digital, Ltd. ^(a)	716,466
7,385	TopBuild Corp. ^(a)	611,183	8,490	MasTec, Inc. ^(a)	437,490
11,455	Wingstop, Inc.	1,085,361	12,075	Mercury Systems, Inc. ^(a)	849,476
14,565	Winnebago Industries, Inc.	562,937	36,260	Meritor, Inc. ^(a)	879,305
		<u>10,050,234</u>	4,885	RBC Bearings, Inc. ^(a)	814,867
			14,220	TriNet Group, Inc. ^(a)	964,116
			5,990	Woodward, Inc.	677,828
					<u>8,875,542</u>
Consumer Staples - 0.5%			Technology - 20.9%		
7,565	Grocery Outlet Holding Corp. ^(a)	248,737	13,625	ACI Worldwide, Inc. ^(a)	467,882
			7,755	Alteryx, Inc., Class A ^(a)	846,226
			18,900	Anaplan, Inc. ^(a)	953,883
			3,055	Avalara, Inc. ^(a)	220,571
			6,240	Coupa Software, Inc. ^(a)	790,046
			6,000	Etsy, Inc. ^(a)	368,220
			38,586	Evo Payments, Inc., Class A ^(a)	1,216,617
			3,950	HubSpot, Inc. ^(a)	673,554
			14,775	Lattice Semiconductor Corp. ^(a)	215,567
			3,600	Pagerduty, Inc. ^(a)	169,380
			8,055	Q2 Holdings, Inc. ^(a)	615,080
			2,015	Roku, Inc. ^(a)	182,519
			2,205	Silicon Laboratories, Inc. ^(a)	227,997
			7,520	Smartsheet, Inc., Class A ^(a)	363,968
			2,115	SPS Commerce, Inc. ^(a)	216,174
			2,740	The Trade Desk, Inc., Class A ^(a)	624,117
			13,525	Upland Software, Inc. ^(a)	615,793
			8,725	Zscaler, Inc. ^(a)	668,684
					<u>9,436,278</u>
			Total Common Stock (Cost \$37,743,558)		43,473,763
			Investments, at value - 96.4% (Cost \$37,743,558)		\$ 43,473,763
			Other Assets & Liabilities, Net - 3.6%		1,614,291
			Net Assets - 100.0%		\$ 45,088,054
			(a)	Non-income producing security.	

LISANTI SMALL CAP GROWTH FUND**SCHEDULE OF INVESTMENTS**JUNE 30, 2019

The following is a summary of the inputs used to value the Fund's investments as of June 30, 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>Valuation Inputs</u>	<u>Investments in Securities</u>
Level 1 - Quoted Prices	\$ 43,473,763
Level 2 - Other Significant Observable Inputs	-
Level 3 - Significant Unobservable Inputs	-
Total	\$ 43,473,763

The Level 1 value displayed in this table is Common Stock. Refer to this Schedule of Investments for a further breakout of each security by industry.

PORTFOLIO HOLDINGS**% of Total Investments**

Consumer Discretionary	23.1%
Consumer Staples	0.6%
Energy	0.4%
Financial Services	6.5%
Health-Care	27.3%
Industrials	20.4%
Technology	21.7%
	<u>100.0%</u>

LISANTI SMALL CAP GROWTH FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2019

ASSETS

Investments, at value (Cost \$37,743,558)	\$ 43,473,763
Cash	1,675,709
Receivables:	
Fund shares sold	12,713
Dividends and interest	3,327
Prepaid expenses	15,777
Total Assets	<u>45,181,289</u>

LIABILITIES

Payables:	
Investment securities purchased	1,600
Fund shares redeemed	37,414
Accrued Liabilities:	
Investment adviser fees	20,181
Trustees' fees and expenses	44
Fund services fees	9,061
Other expenses	24,935
Total Liabilities	<u>93,235</u>

NET ASSETS	<u>\$ 45,088,054</u>
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COMPONENTS OF NET ASSETS

Paid-in capital	\$ 39,235,386
Distributable earnings	5,852,668

NET ASSETS	<u>\$ 45,088,054</u>
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SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)	<u>2,038,024</u>
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NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*	<u>\$ 22.12</u>
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* Shares redeemed or exchanged within 30 days of purchase are charged a 1.00% redemption fee.

LISANTI SMALL CAP GROWTH FUND

STATEMENT OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 2019

INVESTMENT INCOME

Dividend income	\$	22,989
Interest income		4,638
Total Investment Income		<u>27,627</u>

EXPENSES

Investment adviser fees		192,122
Fund services fees		115,129
Shareholder service fees		50,558
Custodian fees		2,569
Registration fees		13,456
Professional fees		18,776
Trustees' fees and expenses		2,042
Other expenses		19,138
Total Expenses		<u>413,790</u>
Fees waived		<u>(140,775)</u>
Net Expenses		<u>273,015</u>

NET INVESTMENT LOSS(245,388)**NET REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain on investments		1,340,261
Net change in unrealized appreciation (depreciation) on investments		<u>7,551,508</u>

NET REALIZED AND UNREALIZED GAIN8,891,769**INCREASE IN NET ASSETS RESULTING FROM OPERATIONS**\$ 8,646,381

LISANTI SMALL CAP GROWTH FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended June 30, 2019	For the Year Ended December 31, 2018
OPERATIONS		
Net investment loss	\$ (245,388)	\$ (294,230)
Net realized gain	1,340,261	827,143
Net change in unrealized appreciation (depreciation)	7,551,508	(4,171,325)
Increase (Decrease) in Net Assets Resulting from Operations	<u>8,646,381</u>	<u>(3,638,412)</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Total Distributions Paid	<u>—</u>	<u>(1,490,131)</u>
CAPITAL SHARE TRANSACTIONS		
Sale of shares	5,552,222	29,042,321
Reinvestment of distributions	—	1,422,005
Redemption of shares	(2,912,476)	(5,455,798)
Redemption fees	1,120	1,423
Increase in Net Assets from Capital Share Transactions	<u>2,640,866</u>	<u>25,009,951</u>
Increase in Net Assets	<u>11,287,247</u>	<u>19,881,408</u>
NET ASSETS		
Beginning of Period	<u>33,800,807</u>	<u>13,919,399</u>
End of Period	<u>\$ 45,088,054</u>	<u>\$ 33,800,807</u>
SHARE TRANSACTIONS		
Sale of shares	269,858	1,385,122
Reinvestment of distributions	—	77,199
Redemption of shares	(140,490)	(293,500)
Increase in Shares	<u>129,368</u>	<u>1,168,821</u>

LISANTI SMALL CAP GROWTH FUND
FINANCIAL HIGHLIGHTS

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

	For the Six Months Ended June 30, 2019	For the Years Ended December 31,				
		2018	2017	2016	2015	2014
NET ASSET VALUE, Beginning of Period	\$ 17.71	\$ 18.81	\$ 18.74	\$ 17.75	\$ 18.73	\$ 19.54
INVESTMENT OPERATIONS						
Net investment loss (a)	(0.12)	(0.21)	(0.33)	(0.25)	(0.32)	(0.31)
Net realized and unrealized gain (loss)	4.53	(0.12)	5.43	1.55	0.28(b)	0.50
Total from Investment Operations	4.41	(0.33)	5.10	1.30	(0.04)	0.19
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net realized gain	–	(0.77)	(5.03)	(0.31)	(0.94)	(1.00)
Total Distributions to Shareholders	–	(0.77)	(5.03)	(0.31)	(0.94)	(1.00)
REDEMPTION FEES(a)	0.00(c)	0.00(c)	0.00(c)	0.00(c)	0.00(c)	0.00(c)
NET ASSET VALUE, End of Period	\$ 22.12	\$ 17.71	\$ 18.81	\$ 18.74	\$ 17.75	\$ 18.73
TOTAL RETURN	24.90%(d)	(1.90)%	27.78%	7.32%	(0.18)%	1.14%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of Period (000s omitted)	\$ 45,088	\$ 33,801	\$ 13,919	\$ 24,022	\$ 32,809	\$ 23,976
Ratios to Average Net Assets:						
Net investment loss	(1.21)%(e)	(1.02)%	(1.61)%	(1.49)%	(1.65)%	(1.65)%
Net expenses	1.35%(e)	1.37%	1.80%	1.80%	1.80%	1.80%
Gross expenses (f)	2.05%(e)	2.32%	3.15%	2.48%	2.26%	2.27%
PORTFOLIO TURNOVER RATE	137%(d)	220%	294%	268%	196%	263%

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

(b) Per share amount does not accord with the amount reported in the Statement of Operations due to the timing of Fund share sales and the amount per share of realized and unrealized gains and losses at such time.

(c) Less than \$0.01 per share.

(d) Not annualized.

(e) Annualized.

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

Note 1. Organization

The Lisanti Small Cap Growth Fund (the “Fund”) is a diversified portfolio of Forum Funds (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940, as amended (the “Act”). Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund’s shares of beneficial interest without par value. The Fund commenced operations on February 27, 2004. The Fund seeks maximum capital appreciation. Prior to February 1, 2018, the Fund was named Dinosaur Lisanti Small Cap Growth Fund. Prior to September 8, 2017, the Fund was named Lebenthal Lisanti Small Cap Growth Fund. Prior to March 2, 2015, the Fund was named Adams Harkness Small Cap Growth Fund.

Note 2. Summary of Significant Accounting Policies

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

Security Valuation – Securities are valued at market prices using the last quoted trade or official closing price from the principal exchange where the security is traded, as provided by independent pricing services on each Fund business day. In the absence of a last trade, securities are valued at the mean of the last bid and ask price provided by the pricing service. Shares of non-exchange traded open-end mutual funds are valued at net asset value (“NAV”). Short-term investments that mature in sixty days or less may be valued at amortized cost.

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

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

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NOTES TO FINANCIAL STATEMENTS

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restrictions on the disposition of the investments. The Valuation Committee performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

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

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

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

Level 2 - Prices determined using significant other observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Short-term securities with maturities of sixty days or less are valued at amortized cost, which approximates market value, and are categorized as Level 2 in the hierarchy. Municipal securities, long-term U.S. government obligations and corporate debt securities are valued in accordance with the evaluated price supplied by the pricing service and generally categorized as Level 2 in the hierarchy. Other securities that are categorized as Level 2 in the hierarchy include, but are not limited to, warrants that do not trade on an exchange, securities valued at the mean between the last reported bid and ask quotation and international equity securities valued by an independent third party with adjustments for changes in value between the time of the securities' respective local market closes and the close of the U.S. market.

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

The aggregate value by input level, as of June 30, 2019, for the Fund's investments is included in the Fund's Schedule of Investments.

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

Distributions to Shareholders – Distributions to shareholders of net investment income, if any, are declared and paid quarterly. Distributions to shareholders of net capital gains, if any, are declared and paid at least annually. Distributions to shareholders are recorded on the ex-dividend date. Distributions are based on

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amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by the Fund, timing differences and differing characterizations of distributions made by the Fund.

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

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

Redemption Fees – A shareholder who redeems or exchanges shares within 30 days of purchase will incur a redemption fee of 1.00% of the current NAV of shares redeemed or exchanged, subject to certain limitations. The fee is charged for the benefit of the remaining shareholders and will be paid to the Fund to help offset transaction costs. The fee is accounted for as an addition to paid-in capital. The Fund reserves the right to modify the terms of or terminate the fee at any time. There are limited exceptions to the imposition of the redemption fee. Redemption fees incurred for the Fund, if any, are reflected on the Statements of Changes in Net Assets.

Note 3. Cash – Concentration in Uninsured Account

For cash management purposes, the Fund may concentrate cash with the Fund’s custodian. This typically results in cash balances exceeding the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. As of June 30, 2019, the Fund had \$1,425,709 at MUFG Union Bank, N.A. that exceeded the FDIC insurance limit.

Note 4. Fees and Expenses

Investment Adviser – Lisanti Capital Growth, LLC (the “Adviser”) is the investment adviser to the Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee, payable monthly, from the Fund at an annual rate of 0.95% of the Fund’s average daily net assets.

Shareholder Service Plan – The Trust has adopted a shareholder service plan for the Fund under which the Fund may reimburse the Fund’s administrator for amounts paid by the administrator for providing shareholder service activities that are not otherwise provided by the transfer agent. The Fund’s administrator may make such payments to various financial institutions, including the Adviser, that provide shareholder servicing to their customers invested in the Fund in amounts of up to 0.25% annually of the average daily net assets of the Fund.

Distribution – Foreside Fund Services, LLC serves as the Fund’s distributor (the “Distributor”). The Fund does not have a distribution (12b-1) plan; accordingly, the Distributor does not receive compensation from the Fund 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, a wholly owned subsidiary of Apex US Holdings, LLC (d/b/a Apex Fund Services) (“Apex”) or their affiliates.

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

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

Note 5. Fees Waived

The Adviser has contractually agreed to waive its fee and/or reimburse expenses to limit total annual fund operating expenses (excluding all taxes, interest, portfolio transaction expenses, proxy expenses, and extraordinary expenses) to 1.35% through April 30, 2020. Other Fund service providers have voluntarily agreed to waive a portion of their fees. The contractual waivers may only be raised or eliminated with the consent of the Board and voluntary fee waivers may be reduced or eliminated at any time. For the period ended June 30, 2019, fees waived were as follows:

LISANTI SMALL CAP GROWTH FUND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

<u>Investment Adviser Fees Waived</u>	<u>Other Waivers</u>	<u>Total Fees Waived and Expenses Reimbursed</u>
\$ 74,917	\$ 65,858	\$ 140,775

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. As of June 30, 2019 \$423,054 is subject to recapture by the Adviser.

Note 6. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the period ended June 30, 2019, totaled \$55,412,375 and \$53,686,931, respectively.

Note 7. Federal Income Tax

As of June 30, 2019, the cost of investments for federal income tax purposes is substantially the same as for financial statement purposes and the components of net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 6,004,119
Gross Unrealized Depreciation	<u>(273,914)</u>
Net Unrealized Appreciation	<u>\$ 5,730,205</u>

As of December 31, 2018, distributable earnings on a tax basis were as follows:

Capital and Other Losses	\$ (803,043)
Unrealized Depreciation	<u>(1,990,670)</u>
Total	<u>\$ (2,793,713)</u>

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

For tax purposes, the prior year post October loss was \$803,043 (realized during the period November 1, 2018 through December 31, 2018). This loss was recognized for tax purposes on the first business day of the Fund's current fiscal year, January 1, 2019.

Note 8. Subsequent Events

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact, and the Fund has had no such events.

LISANTI SMALL CAP GROWTH FUND

ADDITIONAL INFORMATION

JUNE 30, 2019

Proxy Voting Information

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (800) 441-7031 and on the U.S. Securities and Exchange Commission's (the "SEC") website at www.sec.gov. The Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (800) 441-7031 and on the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

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

Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including redemption fees and exchange fees, and (2) ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund, and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2019 through June 30, 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.

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees and exchange fees. Therefore, the second line of

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ADDITIONAL INFORMATION

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the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs had been included, your costs would have been higher.

	Beginning Account Value January 1, 2019	Ending Account Value June 30, 2019	Expenses Paid During Period*	Annualized Expense Ratio*
Actual	\$ 1,000.00	\$ 1,249.01	\$ 7.53	1.35%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,018.10	\$ 6.76	1.35%

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

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