

**Annual Report**  
**August 31, 2023**

# **MAI Managed Volatility Fund**

**Managed By MAI Capital Management, LLC**



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### **IMPORTANT INFORMATION**

The views expressed in this report are those of the MAI Managed Volatility Fund (the "Fund") managers as of August 31, 2023, and may not reflect their views on the date this report is first published or anytime thereafter. These views are intended to assist shareholders of the Fund in understanding their investments in the Fund and do not constitute investment advice.

**An investment in the Fund is subject to risk, including the possible loss of principal amount invested. The Fund may invest in securities issued by smaller and medium-sized companies, which typically involves greater risk than investing in larger, more established companies. Selling call options risk occurs if the Fund is required to sell an underlying security and forego gains if the market price exceeds the exercise price before the expiration date. Selling put options risk occurs if the Fund is required to buy an underlying security and forego gains if the market price is below the exercise price before the expiration date. Option risks include, but are not limited to, the possibility of an imperfect correlation between the movement in the options' prices and that of the securities/indices hedged (or used for cover), which may render a given hedge unable to achieve its objective; possible loss of the premium paid for options; and potential inability to benefit from the appreciation of an underlying security above the exercise price. ADRs ("American Depositary Receipt") may be subject to international trade, currency, political, regulatory and diplomatic risks. The Fund is also subject to other risks, such as fixed-income securities risk, which are detailed in the Fund's prospectus. Diversification does not assure a profit or protect against a loss in a declining market.**

A **put** is an option contract giving the owner the right, but not the obligation, to sell a specified amount of an underlying asset at a set price within a specified time. A **cash-secured put** is a put for which the writer deposits an amount of cash equal to the option's exercise price. A **call** is an option contract giving the owner the right (but not the obligation) to buy a specified amount of an underlying security at a specified price within a specified time. A **covered call** is an options strategy whereby an investor holds a (long) position in an asset and writes (sells) call options on that same asset in an effort to, potentially, generate increased income from the asset. A **call option is out-of-the-money** if the stock price is below its strike price and a **put option is out-of-the-money** if the stock price is above its strike price. The **spread to strike price** is the difference between the current price of the security and the strike price. **Strike price** is the price at which a specific options contract can be exercised. **Premium** realized through the sale of options is not distributable as quarterly income.

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**MAI MANAGED VOLATILITY FUND**

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

AUGUST 31, 2023

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Dear Shareholder,

The MAI Managed Volatility Fund (the "Fund") seeks to achieve income and long-term capital appreciation; however, we differ from a traditional long equity fund in our lower equity exposure and use of an option overlay strategy in which we sell covered calls and cash secured puts. Premiums received from writing options provide a potential source of return to the Fund that is not dependent on growth in the general economy.

For the fiscal year ending August 31, 2023, the Fund's Institutional Class (MAIPX) returned 8.29% and the Investor Class (DIVPX) returned 8.03%. Over the same period, the S&P 500® Index (the "S&P 500") returned 15.94%. While elevated above its long-term averages for the first seven months of the Fund's fiscal year, the CBOE Volatility Index ("VIX")<sup>1</sup>, a measure of market risk, trended lower, and for the latter five months of the year mostly closed below its long-term average. The VIX fell from 25.56 on 9/1/22 to 13.57 on 8/31/23, near its lows for the year. There were notably large spikes in the VIX in September and October 2022 (roughly 20% as the market adjusted rate expectations in the face of stronger economic growth) and March of 2023 (roughly 30% during the regional bank crisis).

Throughout the year, we actively managed the Fund's options portfolio, closing out positions when the remaining return potential was low, and continued to maintain a shorter than average duration which enabled us to be nimble during changes in volatility.

For most of the year, the Fund more or less kept pace with the S&P 500. However, the slow and steady pace of the Fund could not keep pace with the market surge that started in May and ran into summer. The S&P 500 rose sharply, fueled by investor frenzy for artificial intelligence technology. The widespread disparity between the outperformance of large cap technology firms and the average stock negatively impacted the relative performance of the Fund.

Inflation and deglobalization continue to challenge central banks' monetary policies. Wars are further clouding the picture and creating cross-currents between assets seeking a safer haven in fixed income and those trying to achieve a return in excess of inflation. We focus the Fund's collateral at the short end of the yield curve, where it can serve as a source of potential incremental returns for the Fund without exaggerated liquidity, rate or credit risk.

With our focus on managing volatility we believe that we can be an important contributor to diversified portfolios.

As we were writing this letter, we received the tragic news that our long-time colleague and co-portfolio manager of the Fund, Seth Shalov, passed away in early October. While Seth had been ill for several months, he was making a steady recovery, so his death came as a shock. He will be remembered as a true professional who loved his clients and the markets. He was kind and thoughtful to all of the MAI family: his peers, the younger people in the office, many of whom he mentored, and so many other employees. He always had time for others, no matter what the issue, personal or professional. As a

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**MAI MANAGED VOLATILITY FUND**

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

AUGUST 31, 2023

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firm, we have the depth and resources to continue to manage the strategy, but Seth's passing leaves a hole in life that's harder to fill. We thank you for your support.

Sincerely,



Kurt D. Nye



Richard J. Buoncore

**Past performance is no guarantee of future results.** Indexes are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly.

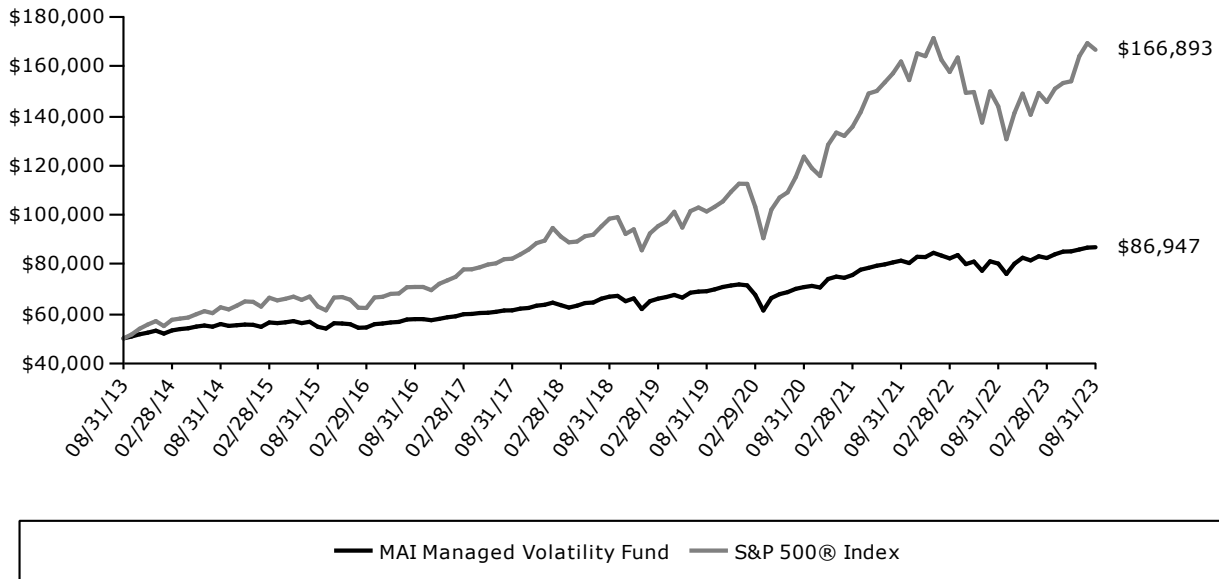
**<sup>1</sup>Cboe Volatility Index® (VIX® Index)**

The VIX Index is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index (SPX<sup>SM</sup>) call and put options.

**MAI MANAGED VOLATILITY FUND**  
**PERFORMANCE CHART AND ANALYSIS (Unaudited)**  
**AUGUST 31, 2023**

The following chart reflects the change in the value of a hypothetical \$50,000 investment in the Institutional Class, including reinvested dividends and distributions, in the MAI Managed Volatility Fund (the "Fund") compared with the performance of the benchmark, the S&P 500 Index ("S&P 500"), over the past ten fiscal years. The S&P 500 is a broad-based measurement of the U.S. stock market based on the performance of 500 widely held large capitalization common stocks. The total return of the 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 \$50,000 Investment**  
**MAI Managed Volatility Fund - Institutional Class vs. S&P 500 Index**



**Average Annual Total Returns**  
**Years Ended August 31, 2023**

	<b>One Year</b>	<b>Five Year</b>	<b>Ten Year</b>
MAI Managed Volatility Fund - Institutional Class	8.29%	5.38%	5.69%
MAI Managed Volatility Fund - Investor Class	8.03%	5.12%	5.44%
S&P 500® Index	15.94%	11.12%	12.81%

**Performance data quoted represents past performance and is no guarantee of future results.** Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please call (877) 414-7884. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Institutional Class and Investor Class are 1.10% and 7.61%, respectively. However, the Fund's adviser has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (excluding all taxes, interest, acquired fund fees and expenses, dividends on short sales, brokerage costs, and extraordinary expenses) to 0.99% and 1.24%, for the Institutional Class and Investor Class, respectively, through January 1, 2024 (the "Expense Cap"). The Expense Cap may be raised or eliminated only with the consent of the Board of Trustees. The total operating expenses after fee waiver and/or expense reimbursements, per the fund's prospectus are, 1.04% and 1.29% for the Institutional Class and Investor Class, respectively. The adviser may recoup from the Fund fees waived and expenses reimbursed by the adviser pursuant to the Expense Cap if such recoupment 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 (after the recoupment has been taken into account) 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 year, 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.

**MAI MANAGED VOLATILITY FUND**  
**SCHEDULE OF INVESTMENTS**  
**AUGUST 31, 2023**

Shares	Security Description	Value
<b>Common Stock - 38.6%</b>		
<b>Communication Services - 3.9%</b>		
28,660	Alphabet, Inc., Class A <sup>(a)(b)</sup>	\$ 3,902,632
34,293	AT&T, Inc.	507,194
32,172	Comcast Corp., Class A	1,504,363
7,289	Meta Platforms, Inc., Class A <sup>(a)</sup>	2,156,742
10,041	The Walt Disney Co. <sup>(a)</sup>	840,231
17,941	Verizon Communications, Inc.	627,576
8,296	Warner Bros Discovery, Inc. <sup>(a)</sup>	109,009
		<u>9,647,747</u>
<b>Consumer Discretionary - 3.3%</b>		
22,360	Amazon.com, Inc. <sup>(a)(b)</sup>	3,085,904
2,814	McDonald's Corp.	791,156
10,544	NIKE, Inc., Class B	1,072,430
10,011	The Home Depot, Inc. <sup>(b)</sup>	3,306,633
		<u>8,256,123</u>
<b>Consumer Staples - 2.7%</b>		
11,233	Altria Group, Inc.	496,723
5,660	Anheuser-Busch InBev SA/NV, ADR	321,997
1,270	Costco Wholesale Corp.	697,586
5,376	Diageo PLC, ADR	890,534
15,152	Mondelez International, Inc., Class A	1,079,732
9,224	PepsiCo., Inc. <sup>(b)</sup>	1,641,134
4,882	The Procter & Gamble Co.	753,488
5,755	Walmart, Inc.	935,821
		<u>6,817,015</u>
<b>Energy - 1.8%</b>		
4,159	Chevron Corp.	670,015
4,761	EOG Resources, Inc.	612,360
7,329	Exxon Mobil Corp.	814,912
48,133	Kinder Morgan, Inc.	828,850
5,807	Marathon Petroleum Corp.	829,065
3,323	Occidental Petroleum Corp.	208,651
8,894	Schlumberger NV	524,390
		<u>4,488,243</u>
<b>Financials - 5.4%</b>		
52,675	Bank of America Corp. <sup>(b)</sup>	1,510,192
4,184	Berkshire Hathaway, Inc., Class B <sup>(a)</sup>	1,507,077
7,060	Chubb, Ltd.	1,418,142
11,965	Citigroup, Inc.	494,035
12,857	JPMorgan Chase & Co.	1,881,365
14,790	MetLife, Inc.	936,799
12,732	The Charles Schwab Corp.	753,098
13,795	U.S. Bancorp	503,931
14,260	Visa, Inc., Class A <sup>(b)</sup>	3,503,397
19,495	Wells Fargo & Co.	804,948
		<u>13,312,984</u>
<b>Health Care - 5.4%</b>		
15,837	Abbott Laboratories <sup>(b)</sup>	1,629,627
9,442	AbbVie, Inc.	1,387,596
7,031	Amgen, Inc.	1,802,327
11,136	Bristol-Myers Squibb Co.	686,534
9,531	CVS Health Corp.	621,135
9,690	Johnson & Johnson <sup>(b)</sup>	1,566,679
10,745	Medtronic PLC	875,717
6,765	Merck & Co., Inc.	737,250
676	Organon & Co.	14,845
20,839	Pfizer, Inc.	737,284
6,703	UnitedHealth Group, Inc. <sup>(b)</sup>	3,194,516

**MAI MANAGED VOLATILITY FUND**  
**SCHEDULE OF INVESTMENTS**  
**AUGUST 31, 2023**

Shares	Security Description	Value		
<b>Health Care - 5.4% (continued)</b>				
2,585	Viatrix, Inc.	\$ 27,789		
		<u>13,281,299</u>		
<b>Industrials - 2.7%</b>				
5,392	Carrier Global Corp.	309,770		
9,007	Honeywell International, Inc.	1,692,776		
2,696	Otis Worldwide Corp.	230,643		
14,637	RTX Corp.	1,259,367		
3,529	The Boeing Co. <sup>(a)</sup>	790,602		
4,919	Union Pacific Corp.	1,084,984		
7,679	United Parcel Service, Inc., Class B	1,300,823		
		<u>6,668,965</u>		
<b>Information Technology - 11.4%</b>				
12,466	Advanced Micro Devices, Inc. <sup>(a)</sup>	1,317,906		
40,860	Apple, Inc. <sup>(b)</sup>	7,676,368		
2,387	Broadcom, Inc.	2,202,938		
27,517	Cisco Systems, Inc.	1,578,100		
4,805	Fortinet, Inc. <sup>(a)</sup>	289,309		
15,389	Intel Corp.	540,769		
2,669	Intuit, Inc.	1,446,091		
19,736	Microsoft Corp. <sup>(b)</sup>	6,468,671		
1,924	NVIDIA Corp.	949,590		
24,562	Oracle Corp.	2,957,019		
12,656	QUALCOMM, Inc.	1,449,492		
2,444	ServiceNow, Inc. <sup>(a)</sup>	1,439,101		
		<u>28,315,354</u>		
<b>Materials - 0.3%</b>				
2,318	Air Products and Chemicals, Inc.	684,946		
<b>Real Estate - 0.7%</b>				
4,439	American Tower Corp. REIT	804,880		
25,155	Weyerhaeuser Co. REIT	823,826		
		<u>1,628,706</u>		
<b>Utilities - 1.0%</b>				
37,380	NextEra Energy, Inc. <sup>(b)</sup>	2,496,984		
<b>Total Common Stock (Cost \$53,378,369)</b>				
		<b>95,598,366</b>		
Principal	Security Description	Rate	Maturity	Value
<b>Fixed Income Securities - 35.5%</b>				
<b>Corporate Non-Convertible Bond - 0.4%</b>				
<b>Information Technology - 0.4%</b>				
\$ 1,000,000	Apple, Inc. (Cost \$993,031)	3.00%	02/09/24	989,179
<b>U.S. Government &amp; Agency Obligations - 35.1%</b>				
<b>U.S. Treasury Securities - 35.1%</b>				
2,500,000	U.S. Treasury Note/Bond	0.13	09/15/23	2,494,964
1,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	2.88	09/30/23	997,934
10,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	2.88	11/30/23	9,936,840
15,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	2.63	12/31/23	14,861,374
3,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	0.75	12/31/23	2,953,642
2,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	3.00	06/30/24	1,961,094
5,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	4.25	09/30/24	4,944,202
5,500,000	U.S. Treasury Note/Bond <sup>(b)</sup>	2.13	09/30/24	5,315,082
6,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	4.50	11/30/24	5,946,914
5,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	4.25	12/31/24	4,939,355
10,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	4.63	02/28/25	9,931,641
5,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	2.75	02/28/25	4,832,227
7,500,000	U.S. Treasury Note/Bond	3.88	04/30/25	7,364,355
7,500,000	U.S. Treasury Note/Bond	4.63	06/30/25	7,458,984



**MAI MANAGED VOLATILITY FUND**

## SCHEDULE OF INVESTMENTS

AUGUST 31, 2023

<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity</u>	<u>Value</u>
<b>U.S. Treasury Securities - 35.1% (continued)</b>				
\$ 3,000,000	U.S. Treasury Note/Bond <sup>(b)</sup>	4.25%	10/15/25	\$ 2,966,836
				<u>86,905,444</u>
	<b>Total U.S. Government &amp; Agency Obligations (Cost \$87,614,507)</b>			<b><u>86,905,444</u></b>
	<b>Total Fixed Income Securities (Cost \$88,607,538)</b>			<b><u>87,894,623</u></b>
<u>Shares</u>	<u>Security Description</u>	<u>Exercise Price</u>	<u>Exp. Date</u>	<u>Value</u>
<b>Warrants - 0.0%</b>				
415	Occidental Petroleum Corp. <sup>(a)</sup>			
	(Cost \$0)	\$ 22.00	08/03/27	<u>16,953</u>
<u>Shares</u>	<u>Security Description</u>			<u>Value</u>
<b>Money Market Fund - 23.3%</b>				
57,856,818	First American Government Obligations Fund, Class X, 5.25% <sup>(c)</sup>			
	(Cost \$57,856,818)			<u>57,856,818</u>
	<b>Investments, at value - 97.4% (Cost \$199,842,725)</b>			<b>\$ 241,366,760</b>
	<b>Total Written Options - (1.0)% (Premiums Received \$(2,479,897))</b>			<b>(2,384,291)</b>
	<b>Other Assets &amp; Liabilities, Net - 3.6%</b>			<b><u>8,885,619</u></b>
	<b>Net Assets - 100.0%</b>			<b><u>\$ 247,868,088</u></b>

**MAI MANAGED VOLATILITY FUND**  
**SCHEDULE OF CALL AND PUT OPTIONS WRITTEN**  
**AUGUST 31, 2023**

<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 - (1.0)%</b>					
<b>Call Options Written - (0.9)%</b>					
(10)	CBOE S&P 500 INDEX S&P 500	\$ 4,350.00	09/23	\$ 4,507,660	\$ (166,950)
(8)	CBOE S&P 500 INDEX S&P 500	4,325.00	09/23	3,606,128	(154,240)
(25)	CBOE S&P 500 INDEX S&P 500	4,325.00	09/23	11,269,150	(491,750)
(15)	CBOE S&P 500 INDEX S&P 500	4,300.00	09/23	6,761,490	(331,275)
(20)	CBOE S&P 500 INDEX S&P 500	4,550.00	09/23	9,015,320	(88,500)
(20)	CBOE S&P 500 INDEX S&P 500	4,500.00	09/23	9,015,320	(145,400)
(15)	CBOE S&P 500 INDEX S&P 500	4,475.00	09/23	6,761,490	(134,400)
(5)	CBOE S&P 500 INDEX S&P 500	4,400.00	10/23	2,253,830	(78,675)
(12)	CBOE S&P 500 INDEX S&P 500	4,370.00	10/23	5,409,192	(219,000)
(10)	CBOE S&P 500 INDEX S&P 500	4,550.00	10/23	4,507,660	(71,500)
(28)	CBOE S&P 500 INDEX S&P 500	4,575.00	10/23	12,621,448	(197,120)
(10)	CBOE S&P 500 INDEX S&P 500	4,375.00	10/23	4,507,660	(207,950)
Total Call Options Written (Premiums Received \$(2,159,896))					<b>(2,286,760)</b>
<b>Put Options Written - (0.1)%</b>					
(20)	CBOE S&P 500 INDEX S&P 500	4,300.00	09/23	8,600,000	(7,400)
(15)	CBOE S&P 500 INDEX S&P 500	4,200.00	09/23	6,300,000	(9,750)
(10)	CBOE S&P 500 INDEX S&P 500	4,100.00	09/23	4,100,000	(4,020)
(6)	CBOE S&P 500 INDEX S&P 500	4,250.00	10/23	2,550,000	(7,086)
(5)	CBOE S&P 500 INDEX S&P 500	4,050.00	10/23	2,025,000	(2,345)
(15)	CBOE S&P 500 INDEX S&P 500	4,150.00	10/23	6,225,000	(18,300)
(9)	CBOE S&P 500 INDEX S&P 500	4,200.00	10/23	3,780,000	(17,730)
(10)	CBOE S&P 500 INDEX S&P 500	4,000.00	10/23	4,000,000	(9,600)
(30)	CBOE S&P 500 INDEX S&P 500	3,900.00	10/23	11,700,000	(21,300)
Total Put Options Written (Premiums Received \$(320,001))					<b>(97,531)</b>
<b>Total Written Options - (1.0)% (Premiums Received \$(2,479,897))</b>					<b>\$ (2,384,291)</b>

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**MAI MANAGED VOLATILITY FUND****NOTES TO SCHEDULES OF INVESTMENTS AND CALL AND PUT OPTIONS WRITTEN****AUGUST 31, 2023**

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ADR American Depositary Receipt  
PLC Public Limited Company  
REIT Real Estate Investment Trust

- (a) Non-income producing security.  
(b) All or a portion of this security is held as collateral for written options.  
(c) Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of August 31, 2023.

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of August 31, 2023.

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	\$ 9,647,747	\$ -	\$ -	\$ 9,647,747
Consumer Discretionary	8,256,123	-	-	8,256,123
Consumer Staples	6,817,015	-	-	6,817,015
Energy	4,488,243	-	-	4,488,243
Financials	13,312,984	-	-	13,312,984
Health Care	13,281,299	-	-	13,281,299
Industrials	6,668,965	-	-	6,668,965
Information Technology	28,315,354	-	-	28,315,354
Materials	684,946	-	-	684,946
Real Estate	1,628,706	-	-	1,628,706
Utilities	2,496,984	-	-	2,496,984
Corporate Non-Convertible Bond	-	989,179	-	989,179
U.S. Government & Agency Obligations	-	86,905,444	-	86,905,444
Warrants	16,953	-	-	16,953
Money Market Fund	57,856,818	-	-	57,856,818
<b>Investments at Value</b>	<b>\$ 153,472,137</b>	<b>\$ 87,894,623</b>	<b>\$ -</b>	<b>\$ 241,366,760</b>
<b>Total Assets</b>	<b>\$ 153,472,137</b>	<b>\$ 87,894,623</b>	<b>\$ -</b>	<b>\$ 241,366,760</b>
<b>Liabilities</b>				
<b>Other Financial Instruments*</b>				
Written Options	(79,801)	(2,304,490)	-	(2,384,291)
<b>Total Liabilities</b>	<b>\$ (79,801)</b>	<b>\$ (2,304,490)</b>	<b>\$ -</b>	<b>\$ (2,384,291)</b>

\* Other Financial Instruments are derivative instruments reflected in separate schedules such as written options, which appear in the Schedule of Call and Put Options Written and are valued at their market value at year end.

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**MAI MANAGED VOLATILITY FUND**

## NOTES TO SCHEDULES OF INVESTMENTS AND CALL AND PUT OPTIONS WRITTEN

AUGUST 31, 2023

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**PORTFOLIO HOLDINGS (Unaudited)****% of Net Assets**

Common Stock	38.6%
Corporate Non-Convertible Bond	0.4%
U.S. Government & Agency Obligations	35.1%
Warrants	0.0%
Money Market Fund**	23.3%
Written Options	(1.0)%
Other Assets & Liabilities, Net	3.6%
	<u>100.0%</u>

\*\* Used to meet the collateral requirements of a tri-party agreement between the prime broker, custodian and the Fund

**PORTFOLIO HOLDINGS (Unaudited)****% of Common Stock**

Communication Services	10.1%
Consumer Discretionary	8.7%
Consumer Staples	7.1%
Energy	4.7%
Financials	13.9%
Health Care	13.9%
Industrials	7.0%
Information Technology	29.6%
Materials	0.7%
Real Estate	1.7%
Utilities	2.6%
	<u>100.0%</u>

**MAI MANAGED VOLATILITY FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AUGUST 31, 2023**

**ASSETS**

Investments, at value (Cost \$199,842,725)	\$ 241,366,760
Cash	2,113,642
Deposits with broker*	5,862,457
Receivables:	
Fund shares sold	146,572
Dividends and interest	1,095,862
Prepaid expenses	27,840
Total Assets	<u>250,613,133</u>

**LIABILITIES**

Call options written, at value (Premiums received \$2,159,896)	2,286,760
Put options written, at value (Premiums received \$320,001)	97,531
Payables:	
Fund shares redeemed	126,752
Accrued Liabilities:	
Investment adviser fees	149,815
Fund services fees	26,752
Other expenses	57,435
Total Liabilities	<u>2,745,045</u>

**NET ASSETS**

\$ 247,868,088

**COMPONENTS OF NET ASSETS**

Paid-in capital	\$ 203,962,038
Distributable Earnings	43,906,050

**NET ASSETS**

\$ 247,868,088

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

Institutional Shares	17,332,161
Investor Shares	38,884

**NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE**

Institutional Shares (based on net assets of \$247,291,485)	\$ 14.27
Investor Shares (based on net assets of \$576,603)	\$ 14.83

\* \$5,862,457 was held at Interactive Brokers LLC.

**MAI MANAGED VOLATILITY FUND**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

**INVESTMENT INCOME**

Dividend income (Net of foreign withholding taxes of \$1,219)	\$ 3,805,895
Interest income	2,815,754
Total Investment Income	<u>6,621,649</u>

**EXPENSES**

Investment adviser fees	1,678,688
Fund services fees	285,570
Transfer agent fees:	
Institutional Shares	10,684
Investor Shares	2,709
Non 12b-1 shareholder servicing fees:	
Institutional Shares	167,558
Investor Shares	589
Distribution fees:	
Investor Shares	1,248
Custodian fees	19,602
Registration fees:	
Institutional Shares	23,960
Investor Shares	18,452
Professional fees	53,607
Trustees' fees and expenses	9,440
Other expenses	75,420
Total Expenses	<u>2,347,527</u>
Fees waived	(130,421)
Net Expenses	<u>2,217,106</u>

**NET INVESTMENT INCOME**

4,404,543

**NET REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain (loss) on:	
Investments	(89,521)
Written options	5,156,129
Net realized gain	<u>5,066,608</u>
Net change in unrealized appreciation (depreciation) on:	
Investments	9,263,894
Written options	(579,126)
Net change in unrealized appreciation (depreciation)	<u>8,684,768</u>
<b>NET REALIZED AND UNREALIZED GAIN</b>	<u>13,751,376</u>
<b>INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<u>\$ 18,155,919</u>

**MAI MANAGED VOLATILITY FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>For the Years Ended August 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>OPERATIONS</b>		
Net investment income	\$ 4,404,543	\$ 433,271
Net realized gain	5,066,608	8,339,628
Net change in unrealized appreciation (depreciation)	8,684,768	(12,103,984)
Increase (Decrease) in Net Assets Resulting from Operations	<u>18,155,919</u>	<u>(3,331,085)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Institutional Shares	(6,807,108)	(51,276)
Investor Shares	(10,408)	-
Total Distributions Paid	<u>(6,817,516)</u>	<u>(51,276)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Sale of shares:		
Institutional Shares	74,916,034	57,953,951
Investor Shares	695,305	598,773
Reinvestment of distributions:		
Institutional Shares	6,679,031	50,919
Investor Shares	10,407	-
Redemption of shares:		
Institutional Shares	(46,501,381)	(29,435,545)
Investor Shares	(592,910)	(572,637)
Increase in Net Assets from Capital Share Transactions	<u>35,206,486</u>	<u>28,595,461</u>
Increase in Net Assets	<u>46,544,889</u>	<u>25,213,100</u>
<b>NET ASSETS</b>		
Beginning of Year	201,323,199	176,110,099
End of Year	<u>\$ 247,868,088</u>	<u>\$ 201,323,199</u>
<b>SHARE TRANSACTIONS</b>		
Sale of shares:		
Institutional Shares	5,449,951	4,158,548
Investor Shares	48,472	41,446
Reinvestment of distributions:		
Institutional Shares	485,493	3,864
Investor Shares	730	-
Redemption of shares:		
Institutional Shares	(3,366,917)	(2,108,599)
Investor Shares	(41,707)	(39,778)
Increase in Shares	<u>2,576,022</u>	<u>2,055,481</u>

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**MAI MANAGED VOLATILITY FUND**  
FINANCIAL HIGHLIGHTS

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

	<b>For the Years Ended August 31,</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>INSTITUTIONAL CLASS</b>					
<b>NET ASSET VALUE, Beginning of Year</b>	\$ 13.61	\$ 13.82	\$ 12.01	\$ 11.90	\$ 11.87
<b>INVESTMENT OPERATIONS</b>					
Net investment income (a)	0.27	0.03	0.00 <sup>(b)</sup>	0.09	0.16
Net realized and unrealized gain (loss)	0.84	(0.24)	1.82	0.19	0.21
Total from Investment Operations	1.11	(0.21)	1.82	0.28	0.37
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>					
Net investment income	(0.21)	(0.00) <sup>(b)</sup>	(0.01)	(0.11)	(0.14)
Net realized gain	(0.24)	-	-	(0.06)	(0.20)
Total Distributions to Shareholders	(0.45)	(0.00)	(0.01)	(0.17)	(0.34)
<b>NET ASSET VALUE, End of Year</b>	<u>\$ 14.27</u>	<u>\$ 13.61</u>	<u>\$ 13.82</u>	<u>\$ 12.01</u>	<u>\$ 11.90</u>
<b>TOTAL RETURN</b>	8.29%	(1.49)%	15.12%	2.42%	3.33%
<b>RATIOS/SUPPLEMENTARY DATA</b>					
Net Assets at End of Year (000s omitted)	\$ 247,291	\$ 200,883	\$ 175,686	\$ 156,165	\$ 144,705
Ratios to Average Net Assets:					
Net investment income	1.97%	0.23%	0.02%	0.73%	1.38%
Net expenses	0.99%	1.00%	1.03%	1.00%	0.99%
Dividend expenses	-	0.01%	0.04%	0.01%	-
Net expenses without dividend and interest expenses	0.99%	0.99%	0.99%	0.99%	0.99%
Gross expenses (c)	1.04%	1.06%	1.12%	1.12%	1.10%
<b>PORTFOLIO TURNOVER RATE</b>	0%	9%	0%	22%	1%

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

(b) Less than \$0.01 per share.

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



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**MAI MANAGED VOLATILITY FUND**  
FINANCIAL HIGHLIGHTS

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

	<b>For the Years Ended August 31,</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>INVESTOR CLASS</b>					
<b>NET ASSET VALUE, Beginning of Year</b>	\$ 14.03	\$ 14.28	\$ 12.44	\$ 12.24	\$ 12.11
<b>INVESTMENT OPERATIONS</b>					
Net investment income (loss) (a)	0.25	0.00 <sup>(b)</sup>	(0.03)	0.06	0.13
Net realized and unrealized gain (loss)	0.87	(0.25)	1.87	0.21	0.22
Total from Investment Operations	1.12	(0.25)	1.84	0.27	0.35
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>					
Net investment income	(0.08)	-	-	(0.01)	(0.02)
Net realized gain	(0.24)	-	-	(0.06)	(0.20)
Total Distributions to Shareholders	(0.32)	-	-	(0.07)	(0.22)
<b>NET ASSET VALUE, End of Year</b>	<u>\$ 14.83</u>	<u>\$ 14.03</u>	<u>\$ 14.28</u>	<u>\$ 12.44</u>	<u>\$ 12.24</u>
<b>TOTAL RETURN</b>	8.03%	(1.75)%	14.79%	2.22%	2.98%
<b>RATIOS/SUPPLEMENTARY DATA</b>					
Net Assets at End of Year (000s omitted)	\$ 577	\$ 440	\$ 425	\$ 315	\$ 454
Ratios to Average Net Assets:					
Net investment income (loss)	1.72%	(0.01)%	(0.23)%	0.48%	1.12%
Net expenses	1.24%	1.25%	1.28%	1.25%	1.24%
Dividend expenses	-	0.01%	0.04%	0.01%	-
Net expenses without dividend and interest expenses	1.24%	1.24%	1.24%	1.24%	1.24%
Gross expenses (c)	6.22%	7.57%	8.12%	6.78%	5.56%
<b>PORTFOLIO TURNOVER RATE</b>	0%	9%	0%	22%	1%

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

(b) Less than \$0.01 per share.

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

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**MAI MANAGED VOLATILITY FUND**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023

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**Note 1. Organization**

The MAI Managed Volatility Fund (the "Fund") is a diversified portfolio of Forum Funds (the "Trust"). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940, as amended (the "Act"). Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund's shares of beneficial interest without par value. The Fund currently offers two classes of shares: Institutional Class and Investor Class. Institutional Class and Investor Class commenced operations on September 23, 2010, and December 2, 2010, respectively. The Fund's investment objective is income and long-term capital appreciation.

**Note 2. Summary of Significant Accounting Policies**

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

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

Pursuant to Rule 2a-5 under the Investment Company Act, the Trust's Board of Trustees (the "Board") has designated the Adviser, as defined in Note 4, as the Fund's valuation designee to perform any fair value determinations for securities and other assets held by the Fund. The Adviser is subject to the oversight of the Board and certain reporting and other requirements intended to provide the Board the information needed to oversee the Adviser's fair value determinations. The Adviser is responsible for determining the fair value of investments for which market quotations are not readily available in accordance with policies and procedures that have been approved by the Board. Under these procedures, the Adviser 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 Board has approved the Adviser's fair valuation procedures as a part of the Fund's compliance program and will review any changes made to the procedures.

The Adviser provides fair 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 Adviser performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

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**MAI MANAGED VOLATILITY FUND**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023

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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 Net Asset Value ("NAV") than a NAV determined by using market quotes.

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

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

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

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

The aggregate value by input level, as of August 31, 2023, for the Fund's investments is included in the Fund's Notes to Schedules of Investments 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 is recorded on the ex-dividend date. Foreign dividend income is recorded on the ex-dividend date or as soon as possible after determining the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding taxes, which are accrued as applicable. Interest income is recorded on an accrual basis. Premium is amortized to the next call date above par, and discount is accreted to maturity using the effective interest method. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

**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 August 31, 2023, are disclosed in the Fund's Schedule of Call and Put Options Written.

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**MAI MANAGED VOLATILITY FUND**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023

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**Distributions to Shareholders** – Distributions to shareholders of net investment income, if any, are declared and paid at least 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 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 recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, the Fund did not incur any interest or penalties. 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 August 31, 2023, there are no uncertain tax positions that would require financial statement recognition, de-recognition or disclosure.

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

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

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

**Note 3. Cash – Concentration in Uninsured Account**

For cash management purposes, the Fund may concentrate cash with the Fund’s custodian. This typically results in cash balances exceeding the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. As of August 31, 2023, the Fund had \$1,863,642 at US Bank, N.A. that exceeded the FDIC insurance limit.

**Note 4. Fees and Expenses**

**Investment Adviser** – MAI Capital Management, LLC (the “Adviser”) is the investment adviser to the Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee, payable monthly, from the Fund at an annual rate of 0.75% of the Fund’s average daily net assets.

**Distribution** – Foreside Fund Services, LLC, a wholly owned subsidiary of Foreside Financial Group, LLC (d/b/a ACA Group) (the “Distributor”), acts as the agent of the Trust in connection with the continuous offering of shares of the Fund. 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

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**MAI MANAGED VOLATILITY FUND**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023

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Services) ("Apex") or their affiliates. The Trust has adopted a Rule 12b-1 plan under which the Fund pays the Distributor a fee up to 0.25% of the average daily net assets of the Investor Class for distribution services and/or the servicing of shareholder accounts. Because the Investor Class pays distribution fees on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges. The Distributor may pay any fee received under the Rule 12b-1 plan to the Adviser or other financial intermediaries that provide distribution and shareholder services with respect to Investor Class shares. In addition to paying fees under the Rule 12b-1 plan, the Fund may pay service fees to financial intermediaries for administration, recordkeeping and other shareholder services associated with shareholders whose shares are held of record in omnibus accounts, other group accounts or accounts traded through registered securities clearing agents. If the Fund pays shareholder service fees on an ongoing basis, over time these fees will increase the cost of your investment.

**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 \$45,000 (\$55,000 for the Chairman), and the Audit Committee Chairman receives an additional \$2,000 annually. The Trustees and the Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his or her duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees' fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

**Note 5. Expense Reimbursements and Fees Waived**

The Adviser has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (excluding all taxes, interest, acquired fund fees and expenses, dividends on short sales, brokerage costs, and extraordinary expenses) to 0.99% and 1.24%, of the Institutional Class and Investor Class, respectively, through at least January 1, 2024. The contractual waivers may be changed or eliminated at any time with consent of the Board. During the year ended August 31, 2023, fees waived were \$130,421.

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 of a class (after the recoupment has been taken into account) 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 August 31, 2023, \$459,166 is subject to recapture by the Adviser.

**Note 6. Security Transactions**

Investment transactions for the year ended August 31, 2023 excluding U.S. Government and Agency securities and short-term investments, were as follows:

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**MAI MANAGED VOLATILITY FUND**

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023

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<b>Non-U.S. Government Obligations</b>	
<b>Purchases</b>	<b>Sales</b>
\$ 994,260	\$ 10,248

Investment transactions in U.S. Government and Agency securities for the year ended August 31, 2023, were as follows:

<b>U.S. Government Obligations</b>	
<b>Purchases</b>	<b>Sales</b>
\$ 69,330,629	\$ -

**Note 7. Summary of Derivative Activity**

The Fund may invest in certain derivatives, as detailed below, to meet its investment objective.

The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks, such as liquidity risk, interest rate risk, market risk, credit risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. In some cases, the Fund could lose more than the principal amount invested by investing in a derivative instrument. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when doing so would be beneficial.

The Fund may also utilize certain derivative instruments and investment techniques for risk management or hedging purposes. There is no assurance that such risk management and hedging strategies will be successful, as such success will depend on, among other factors, the Adviser's ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged.

The following provides more information on specific types of derivatives and activity in the Fund:

The use of derivative instruments by the Fund for the year ended August 31, 2023 related to the use of written call and put options. The options in which the Fund transacts are designed to generate gains and provide downside protection in falling markets. When dividends and interest income from the Fund's portfolio are coupled with the premium generated from the option writing activity, the Adviser believes the Fund can pursue its objective with less downside deviation than traditional equity investment strategies by, in effect, managing volatility.

The volume of open derivative positions may vary on a daily basis as the Fund transacts derivative contracts in order to achieve the exposure desired by the Adviser. Premiums received on purchased and written options for the year ended August 31, 2023, for any derivative type that was held during the period is as follows:

Written Options	\$ (15,951,593)
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Following is a summary of the effect of derivatives on the Statement of Assets and Liabilities as of August 31, 2023:

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**MAI MANAGED VOLATILITY FUND**

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023

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<u>Location:</u>	<u>Equity Risk</u>
<b>Liability derivatives:</b>	
Call options written	\$ (2,286,760)
Put options written	(97,531)
<b>Total liability derivatives</b>	<u>\$ (2,384,291)</u>

Realized and unrealized gains and losses on derivatives contracts during the period ended August 31, 2023 by the Fund are recorded in the following locations on the Statement of Operations:

<u>Location:</u>	<u>Equity Contracts</u>
<b>Net realized gain (loss) on:</b>	
Written options	\$ 5,156,129
<b>Total net realized gain (loss)</b>	<u>\$ 5,156,129</u>
<b>Net change in unrealized appreciation (depreciation) on:</b>	
Written options	\$ (579,126)
<b>Total net change in unrealized appreciation (depreciation)</b>	<u>\$ (579,126)</u>

Asset (Liability) amounts shown in the table below represent amounts for derivative related investments at August 31, 2023. These amounts may be collateralized by cash or financial instruments.

	<u>Gross Asset (Liability) as Presented in the Statement of Assets and Liabilities</u>	<u>Financial Instruments (Received) Pledged*</u>	<u>Cash Collateral (Received) Pledged*</u>	<u>Net Amount</u>
<b>Liabilities:</b>				
Over-the-counter derivatives**	(2,384,291)	2,384,291	-	-

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

**Note 8. Federal Income Tax**

As of August 31, 2023, the cost of investments for federal income tax purposes is \$198,876,153 and the components of net unrealized appreciation were as follows:

Gross Unrealized Appreciation	\$ 44,552,011
Gross Unrealized Depreciation	(4,445,695)
Net Unrealized Appreciation	<u>\$ 40,106,316</u>

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



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**MAI MANAGED VOLATILITY FUND**

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2023

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	<u>2023</u>	<u>2022</u>
Ordinary Income	\$ 4,481,163	\$ 51,276
Long-Term Capital Gain	2,336,353	-
	<u>\$ 6,817,516</u>	<u>\$ 51,276</u>

As of August 31, 2023, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 2,259,482
Undistributed Long-Term Gain	1,540,252
Unrealized Appreciation	40,106,316
Total	<u>\$ 43,906,050</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 temporary book/tax differences related to investments in real estate investment trusts, wash sales, straddles, index options and equity return of capital.

**Note 9. Recent Accounting Pronouncements**

In June 2022, the Financial Accounting Standards Board issued Accounting Standards Update 2022-03, which amends Fair Value Measurement (Topic 820); Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions ("ASU 2022-03"). ASU 2022-03 clarifies guidance for fair value measurement of an equity security subject to a contractual sale restriction and establishes new disclosure requirements for such equity securities. ASU 2022-03 is effective for fiscal years beginning after December 15, 2023, and for interim periods within those fiscal years, with early adoption permitted. Management is currently evaluating the impact of these amendments on the financial statements.

**Note 10. 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. Management has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events. Based on this evaluation, no additional disclosures or adjustments were required.



**To the Shareholders of MAI Managed Volatility Fund  
and the Board of Trustees of Forum Funds**

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedules of investments and call and put options written, of MAI Managed Volatility Fund (the "Fund"), a series of Forum Funds, as of August 31, 2023, the related statements of operations and changes in net assets for the year then ended, the related notes, and the financial highlights for the year then ended (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of August 31, 2023, the results of its operations, changes in net assets, and the financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Fund's financial statements and financial highlights for the years ended August 31, 2022, and prior, were audited by other auditors whose report dated October 25, 2022, expressed an unqualified opinion on those financial statements and financial highlights.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audit included performing procedures to assess the risks 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 August 31, 2023, by correspondence with the custodian and broker. Our audit 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 audit provides a reasonable basis for our opinion.

We have served as the Fund's auditor since 2023.

*Cohen & Company, Ltd*

**Cohen & Company, LTD.  
Philadelphia, Pennsylvania  
October 30, 2023**

### **Change in Independent Registered Public Accounting Firm**

On March 9, 2023, BBD LLP ("BBD") ceased to serve as the independent registered public accounting firm of the Fund, a series of Forum Funds. The Audit Committee of the Board of Directors approved the replacement of BBD as a result of Cohen & Company, Ltd.'s ("Cohen") acquisition of BBD's investment management group.

The reports of BBD on the financial statements of the Fund as of and for the fiscal years ended August 31, 2022 and August 31, 2021 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainties, audit scope or accounting principles. During the years ended August 31, 2022 and August 31, 2021, and during the subsequent interim period through March 9, 2023, (i) there were no disagreements between the Trust and BBD on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of BBD, would have caused it to make reference to the subject matter of the disagreements in its report on the financial statements of the Fund for such years or interim period, and (ii) there were no "reportable events," as defined in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934, as amended.

The Trust requested that BBD furnish it with a letter addressed to the U.S. Securities and Exchange Commission stating that it agrees with the above statements. A copy of this letter is filed as an exhibit to Form N-CSR.

On March 17, 2023, the Audit Committee of the Board also recommended and approved the appointment of Cohen as the Fund's independent registered public accounting firm for the fiscal year ending August 31, 2023.

During the fiscal years ended August 31, 2022 and August 31, 2021, and during the subsequent interim period through March 17, 2023, neither the Trust, nor anyone acting on its behalf, consulted with Cohen on behalf of the Fund regarding the application of accounting principles to a specified transaction (either completed or proposed), the type of audit opinion that might be rendered on the Fund's financial statements, or any matter that was either, (i) the subject of a "disagreement," as defined in Item 304(a)(1)(iv) of Regulation S-K and the instructions thereto; or (ii) "reportable events," as defined in Item 304(a)(1)(v) of Regulation S-K.

### **Proxy Voting Information**

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (877) 414-7884 and on the U.S. Securities and Exchange Commission's (the "SEC") website at [www.sec.gov](http://www.sec.gov). The Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (877) 414-7884 and on the SEC's website at [www.sec.gov](http://www.sec.gov).

### **Availability of Quarterly Portfolio Schedules**

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

### **Shareholder Expense Example**

As a shareholder of the Fund, 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

**MAI MANAGED VOLATILITY FUND**  
 ADDITIONAL INFORMATION (Unaudited)  
 AUGUST 31, 2023

(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 March 1, 2023 through August 31, 2023.

**Actual Expenses** – The first line under each share class of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during the period.

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. 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 March 1, 2023</b>	<b>Ending Account Value August 31, 2023</b>	<b>Expenses Paid During Period*</b>	<b>Annualized Expense Ratio*</b>
<b>Institutional Shares</b>				
Actual	\$ 1,000.00	\$ 1,053.10	\$ 5.12	0.99%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,020.21	\$ 5.04	0.99%
<b>Investor Shares</b>				
Actual	\$ 1,000.00	\$ 1,051.33	\$ 6.41	1.24%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,018.95	\$ 6.31	1.24%

\* 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 (184) divided by 365 to reflect the half-year period.

**Federal Tax Status of Dividends Declared during the Fiscal Year**

For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Fund designates 38.03% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 39.23% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Code. The Fund also designates 23.07% as short-term capital gain dividends exempt from U.S. tax for foreign shareholders (QSD). The Fund also designates 39.11% as qualified interest income exempt from U.S. tax for foreign shareholders (QII). Pursuant to Section 852(b)(3) of the Internal Revenue Code, the Fund designates \$2,336,353 as long term capital gain dividends for the year.

**MAI MANAGED VOLATILITY FUND**  
 ADDITIONAL INFORMATION (Unaudited)  
 AUGUST 31, 2023

**Trustees and Officers of the Trust**

The Board is responsible for oversight of the management of the Trust’s business affairs and of the exercise of all the Trust’s powers except those reserved for the shareholders. The following table provides information about each Trustee and certain officers of the Trust. Each Trustee and officer holds office until the person resigns, is removed or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is Three Canal Plaza, Suite 600, Portland, Maine 04101. The Fund’s Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (877) 414-7884.

<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.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
Mark D. Moyer Born: 1959	Trustee	Since 2018	Independent consultant providing interim CFO services, principally to non-profit organizations, since 2021; Chief Financial Officer, Freedom House (a NGO advocating political freedom and democracy) 2017-2021.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
Jennifer Brown-Strabley Born: 1964	Trustee	Since 2018	Principal, Portland Global Advisors (a registered investment adviser) 1996-2010.	1	Trustee, Forum Funds II and U.S. Global Investors Funds
<b>Interested Trustees<sup>(1)</sup></b>					
Karen Shaw Born: 1972	Trustee	Since 2023	Senior Vice President, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.	1	Trustee, Forum Funds II and U.S. Global Investors Funds

<sup>(1)</sup>Karen Shaw is currently an interested person of the Trust, as defined in the 1940 Act, due to her affiliation with Apex Fund Services and her role as Treasurer of the Trust. Apex Fund Services is a wholly owned subsidiary of Apex US Holdings LLC.

**MAI MANAGED VOLATILITY FUND**  
 ADDITIONAL INFORMATION (Unaudited)  
 AUGUST 31, 2023

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years
<b>Officers</b>			
Zachary Tackett Born: 1988	President; Principal Executive Officer; Anti-Money Laundering Compliance Officer; Identity Theft Prevention Officer	President and Principal Executive Officer since 2023; Anti-Money Laundering Compliance Officer and Identity Theft Prevention Officer since 2014	Senior Counsel, Apex Fund Services since 2019; Counsel, Atlantic Fund Services 2014-2019.
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.
Carlyn Edgar Born: 1963	Chief Compliance Officer	Chief Compliance Officer 2008-2016 and 2021-current	Senior Vice President, Apex Fund Services since 2019; Senior Vice President, Atlantic Fund Services 2008-2019.
Lindsey Dorval Born: 1981	Vice President; Secretary	Since 2023	Counsel, Apex Fund Services since 2020.





# MAI Managed Volatility Fund

**Investor Class**

**(DIVPX)**

**Institutional Class**

**(MAIPX)**

## **INVESTMENT ADVISER**

MAI Capital Management, LLC  
6050 Oak Tree Blvd, Suite 500  
Cleveland, OH 44131

## **TRANSFER AGENT**

Apex Fund Services  
P.O. Box 588  
Portland, ME 04112  
[www.apexgroup.com](http://www.apexgroup.com)

## **DISTRIBUTOR**

Foreside Fund Services, LLC  
Three Canal Plaza, Suite 100  
Portland, ME 04101  
[www.foreside.com](http://www.foreside.com)

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