



LEBENTHAL LISANTI
SMALL CAP GROWTH FUND

SEMI-ANNUAL REPORT
JUNE 30, 2016
(UNAUDITED)

LEBENTHAL LISANTI SMALL CAP GROWTH FUND

A MESSAGE TO OUR SHAREHOLDERS

JUNE 30, 2016

Dear Shareholder,

For the first half of 2016 (“Period”), the Lebenthal Lisanti Small Cap Growth Fund (“Fund”) underperformed its benchmark, the Russell 2000 Growth Index (“Index”). The first half of 2016 was, to us, a bit of a “perfect storm”: macroeconomic fears and concerns dominated the headlines, as investors worried over an economic recession. Small cap stocks generally, as measured by the Index, went down for most of the first quarter, and the higher growth, higher multiple stocks in which your Fund invests went down more. Towards the end of the period, the scenario took on aspects of a “credit crisis” as investors became worried over the solvency of international banks, once again. The plunge in the price of crude oil called the solvency of some of the energy-producing countries into question and fed fears of a recession in the United States, as our oil producing states saw a slowdown in economic activity in response to the drop in crude oil prices.

There continued to be many cross currents in the economic landscape, as mall-based retailers continued to suffer declines in traffic, and technology stocks were battered by concerns over spending for the remainder of the year. Health care stocks continued under pressure in the first part of the year, but began to recover in the spring, particularly medical device companies with very strong outlooks.

For the six months ended June 30, 2016, our technology selections underperformed the Index, as investors appeared to us to question full year 2016 outlooks; our financial and consumer discretionary stock picks also underperformed, although not as sharply as our technology holdings. Our energy stock selections outperformed the Index, as the companies we focused on benefitted from strong balance sheets and the low cost of oil, and thus were not as badly impacted by the decline in the price of energy as other stocks were.

Despite the rough start to the year, we continue to find pockets of opportunity. We are overweight healthcare, with a particular focus on medical device companies. Smaller medical device companies, we believe, based on our research, are well positioned in the current environment, as they have new innovative technologies that have the potential to provide both a better outcome and a lower cost of doing business. We remain overweight energy, as we believe that we have invested in companies that can flourish in a lower priced environment for crude oil, and we remain overweight industrials, as we believe that we are invested in individual companies that are able to grow due to new products and unique positioning, as opposed to an increase in global GDP. We are underweight financials, consumer discretionary and staples, and materials, as we see those areas as more difficult ones to find true differentiated growth companies, and we are market weight to slightly overweight technology, again with an emphasis on companies with unique and innovative products that have been driving revenue growth and profitability.

We remain constructive on the overall environment for smaller growth stocks. Despite the fears that overwhelm investors periodically, we continue to see a fairly steady, slow growth, low inflation environment in the United States, and believe that the United States might remain the best investment of the developed world, given the issues with the European Union. In such an environment, we believe that a company’s ability to drive its own growth, through product innovation, acquisition strategies, etc.—what we call “self help”—is absolutely a critical determinant of its ultimate success. Those qualities tend to reside in smaller growth stocks, in our opinion, more than in the larger capitalization stocks. Smaller growth stocks, as measured by

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the Index, have lagged the S&P 500 over the past several years; we believe it is possible that they may play “catch up” over the next few years. Regardless of how the general markets perform, we remain focused on identifying companies with the ability to grow earnings and revenues at strong rates, whose stock prices do not reflect their fundamental growth potential.

We thank you for investing with us and will continue to work hard on your behalf to deliver value.

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 Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. One cannot invest directly in an index.

The views in this report were those of the Fund manager as of June 30, 2016, 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 it 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.

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SCHEDULE OF INVESTMENTS

JUNE 30, 2016

Shares	Security Description	Value	Shares	Security Description	Value
Common Stock - 94.8%			Health-Care (continued)		
Consumer Discretionary - 14.7%			3,395	Nevro Corp. ^(a)	\$ 250,415
6,035	Boyd Gaming Corp. ^(a)	\$ 111,044	4,445	NuVasive, Inc. ^(a)	265,455
4,000	Burlington Stores, Inc. ^(a)	266,840	5,730	Omniceil, Inc. ^(a)	196,138
6,620	Chuy's Holdings, Inc. ^(a)	229,118	7,330	Orthofix International NV ^(a)	310,792
2,740	Dave & Buster's Entertainment, Inc. ^(a)	128,205	1,190	Penumbra, Inc. ^(a)	70,805
8,625	Duluth Holdings, Inc., Class B ^(a)	210,967	4,700	PRA Health Sciences, Inc. ^(a)	196,272
5,515	Five Below, Inc. ^(a)	255,951	7,170	Press Ganey Holdings, Inc. ^(a)	282,139
3,450	Jack in the Box, Inc.	296,424	4,405	Radius Health, Inc. ^(a)	161,884
10,045	Ollie's Bargain Outlet Holdings, Inc. ^(a)	250,020	8,235	Supernus Pharmaceuticals, Inc. ^(a)	167,747
3,635	Pool Corp.	341,799	9,505	The Spectranetics Corp. ^(a)	177,839
1,610	The Childrens Place Retail Stores, Inc.	129,090	3,455	VCA Antech, Inc. ^(a)	233,593
22,820	Tile Shop Holdings, Inc. ^(a)	453,662	4,010	Veeva Systems, Inc., Class A ^(a)	136,821
2,965	Vail Resorts, Inc.	409,852			<u>6,179,312</u>
5,345	Vera Bradley, Inc. ^(a)	75,739	Industrials - 16.4%		
14,335	William Lyon Homes, Class A ^(a)	231,080	8,540	Astec Industries, Inc.	479,521
		<u>3,389,791</u>	9,950	Beacon Roofing Supply, Inc. ^(a)	452,426
Energy - 4.7%			5,990	Dycom Industries, Inc. ^(a)	537,662
4,925	Carrizo Oil & Gas, Inc. ^(a)	176,561	5,885	John Bean Technologies Corp.	360,280
2,700	Diamondback Energy, Inc. ^(a)	246,267	15,405	Joy Global, Inc.	325,662
6,440	Parsley Energy, Inc., Class A ^(a)	174,267	1,565	Masonite International Corp. ^(a)	103,509
13,930	US Silica Holdings, Inc.	480,167	35,250	Mueller Water Products, Inc., Class A	402,555
		<u>1,077,262</u>	9,790	SiteOne Landscape Supply, Inc. ^(a)	332,762
Financial Services - 6.1%			3,950	SkyWest, Inc.	104,517
2,650	CoreSite Realty Corp. REIT	235,029	6,600	Trex Co., Inc. ^(a)	296,472
4,535	CyrusOne, Inc. REIT	252,418	6,290	WageWorks, Inc. ^(a)	376,205
9,385	Opus Bank	317,213			<u>3,771,571</u>
9,380	PrivateBancorp, Inc.	413,001	Materials - 3.7%		
6,060	Western Alliance Bancorp. ^(a)	197,859	10,665	Berry Plastics Group, Inc. ^(a)	414,335
		<u>1,415,520</u>	4,285	Kraton Performance Polymers, Inc. ^(a)	119,680
Health-Care - 26.9%			18,890	United States Steel Corp.	318,486
1,585	ABIOMED, Inc. ^(a)	173,225			<u>852,501</u>
4,195	ACADIA Pharmaceuticals, Inc. ^(a)	136,170	Technology - 21.8%		
3,675	Adeptus Health, Inc., Class A ^(a)	189,850	8,105	2U, Inc. ^(a)	238,368
4,340	Amedisys, Inc. ^(a)	219,083	2,800	Acacia Communications, Inc. ^(a)	111,832
12,110	AMN Healthcare Services, Inc. ^(a)	484,037	4,535	Advanced Energy Industries, Inc. ^(a)	172,149
19,345	Ariad Pharmaceuticals, Inc. ^(a)	142,960	9,995	Black Knight Financial Services, Inc., Class A ^(a)	375,812
8,695	Cardiovascular Systems, Inc. ^(a)	159,771	2,545	Coherent, Inc. ^(a)	233,580
4,805	Cynosure, Inc., Class A ^(a)	233,739	16,565	Cypress Semiconductor Corp.	174,761
4,470	Depomed, Inc. ^(a)	87,701	3,005	Ellie Mae, Inc. ^(a)	275,408
5,285	Dermira, Inc. ^(a)	154,586	6,500	Fabrinet ^(a)	241,280
22,910	Endologix, Inc. ^(a)	285,459	12,855	Gigamon, Inc. ^(a)	480,648
5,245	Glaukos Corp. ^(a)	152,944	2,325	Guidewire Software, Inc. ^(a)	143,592
13,855	HMS Holdings Corp. ^(a)	243,987	2,680	HubSpot, Inc. ^(a)	116,366
5,710	Inogen, Inc. ^(a)	286,128	4,035	Inphi Corp. ^(a)	129,241
4,160	Intra-Cellular Therapies, Inc. ^(a)	161,491	2,430	Manhattan Associates, Inc. ^(a)	155,836
1,215	Ligand Pharmaceuticals, Inc. ^(a)	144,913	5,665	MaxLinear, Inc., Class A ^(a)	101,857
5,630	Masimo Corp. ^(a)	295,659	4,290	MKS Instruments, Inc.	184,727
3,910	Neurocrine Biosciences, Inc. ^(a)	177,709	6,425	Monolithic Power Systems, Inc.	438,956

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SCHEDULE OF INVESTMENTS

JUNE 30, 2016

Shares	Security Description	Value
Technology (continued)		
	3,905 Orbotech, Ltd. ^(a)	\$ 99,773
	5,930 Paycom Software, Inc. ^(a)	256,235
	11,640 Q2 Holdings, Inc. ^(a)	326,153
	5,130 Silicon Motion Technology Corp., ADR	245,214
	5,105 Varonis Systems, Inc. ^(a)	122,622
	3,665 WebMD Health Corp. ^(a)	212,973
	6,505 Zendesk, Inc. ^(a)	171,602
		<u>5,008,985</u>
Telecommunications - 0.5%		
	12,210 ORBCOMM, Inc. ^(a)	121,489
	Total Common Stock (Cost \$19,790,240)	<u>21,816,431</u>
	Total Investments - 94.8% (Cost \$19,790,240)*	\$ 21,816,431
	Other Assets & Liabilities, Net - 5.2%	<u>1,191,451</u>
	Net Assets - 100.0%	<u><u>\$ 23,007,882</u></u>

ADR American Depositary Receipt
REIT Real Estate Investment Trust
(a) Non-income producing security.

* Cost for federal income tax purposes is substantially the same as for financial statement purposes and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 2,306,677
Gross Unrealized Depreciation	(280,486)
Net Unrealized Appreciation	<u><u>\$ 2,026,191</u></u>

The following is a summary of the inputs used to value the Fund's investments as of June 30, 2016.

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.

Valuation Inputs	Investments in Securities
Level 1 - Quoted Prices	\$ 21,816,431
Level 2 - Other Significant Observable Inputs	-
Level 3 - Significant Unobservable Inputs	-
Total	<u><u>\$ 21,816,431</u></u>

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.

The Fund utilizes the end of period methodology when determining transfers. There were no transfers among Level 1, Level 2 and Level 3 for the period ended June 30, 2016.

PORTFOLIO HOLDINGS

% of Total Investments	
Consumer Discretionary	15.5%
Energy	4.9%
Financial Services	6.5%
Health-Care	28.3%
Industrials	17.3%
Materials	3.9%
Technology	23.0%
Telecommunications	0.6%
	<u><u>100.0%</u></u>

LEBENTHAL LISANTI SMALL CAP GROWTH FUND

STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 2016

ASSETS

Total investments, at value (Cost \$19,790,240)	\$ 21,816,431
Cash	1,227,869
Receivables:	
Fund shares sold	11,728
Dividends and interest	8,582
Compliance services fees	-
Prepaid expenses	13,103
Total Assets	<u>23,077,713</u>

LIABILITIES

Payables:	
Fund shares redeemed	42,170
Accrued Liabilities:	
Investment adviser fees	8,102
Trustees' fees and expenses	19
Fund services fees	5,181
Other expenses	14,359
Total Liabilities	<u>69,831</u>

NET ASSETS\$ 23,007,882**COMPONENTS OF NET ASSETS**

Paid-in capital	\$ 24,418,136
Accumulated net investment loss	(176,536)
Accumulated net realized loss	(3,259,909)
Net unrealized appreciation	2,026,191
NET ASSETS	<u>\$ 23,007,882</u>

SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)1,407,985**NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE***\$ 16.34

* Shares redeemed or exchanged within 30 days of purchase are charged a 1.00% redemption fee.

LEBENTHAL LISANTI SMALL CAP GROWTH FUND

STATEMENT OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 2016

INVESTMENT INCOME

Dividend income	\$	37,195
Interest income		461
Total Investment Income		<u>37,656</u>

EXPENSES

Investment adviser fees		118,666
Fund services fees		87,733
Shareholder service fees		29,666
Custodian fees		2,270
Registration fees		8,560
Professional fees		15,756
Trustees' fees and expenses		3,674
Miscellaneous expenses		14,683
Total Expenses		<u>281,008</u>
Fees waived and expenses reimbursed		<u>(66,816)</u>
Net Expenses		<u>214,192</u>

NET INVESTMENT LOSS(176,536)**NET REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized loss on investments		(2,831,457)
Net change in unrealized appreciation (depreciation) on investments		<u>316,442</u>

NET REALIZED AND UNREALIZED LOSS(2,515,015)**DECREASE IN NET ASSETS RESULTING FROM OPERATIONS**\$ (2,691,551)

LEBENTHAL LISANTI SMALL CAP GROWTH FUNDSTATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended June 30, 2016	For the Year Ended December 31, 2015
OPERATIONS		
Net investment loss	\$ (176,536)	\$ (461,041)
Net realized gain (loss)	(2,831,457)	1,686,800
Net change in unrealized appreciation (depreciation)	316,442	(1,870,087)
Decrease in Net Assets Resulting from Operations	<u>(2,691,551)</u>	<u>(644,328)</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net realized gain	<u>-</u>	<u>(1,692,923)</u>
CAPITAL SHARE TRANSACTIONS		
Sale of shares	2,063,462	17,254,090
Reinvestment of distributions	-	1,525,725
Redemption of shares*	(9,172,794)	(7,611,664)
Redemption fees	210	2,106
Increase (Decrease) in Net Assets from Capital Share Transactions	<u>(7,109,122)</u>	<u>11,170,257</u>
Increase (Decrease) in Net Assets	<u>(9,800,673)</u>	<u>8,833,006</u>
NET ASSETS		
Beginning of Period	32,808,555	23,975,549
End of Period (Including line (a))	<u>\$ 23,007,882</u>	<u>\$ 32,808,555</u>
SHARE TRANSACTIONS		
Sale of shares	132,208	874,809
Reinvestment of distributions	-	86,345
Redemption of shares	(572,664)	(392,806)
Increase (Decrease) in Shares	<u>(440,456)</u>	<u>568,348</u>
(a) Accumulated net investment loss.	<u>\$ (176,536)</u>	<u>\$ -</u>

* The amount includes \$979,752 from a redemption-in-kind for the year ended December 31, 2015.

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FINANCIAL HIGHLIGHTS

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

	For the Six Months Ended June 30, 2016	For the Years Ended December 31,				
		2015	2014	2013	2012	2011
NET ASSET VALUE, Beginning of Period	\$ 17.75	\$ 18.73	\$ 19.54	\$ 13.36	\$ 11.83	\$ 12.59
INVESTMENT OPERATIONS						
Net investment loss (a)	(0.12)	(0.32)	(0.31)	(0.29)	(0.17)	(0.20)
Net realized and unrealized gain (loss)	(1.29)	0.28(b)	0.50	7.43	1.70	(0.56)
Total from Investment Operations	(1.41)	(0.04)	0.19	7.14	1.53	(0.76)
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	—	—	—	(0.13)	—	—
Net realized gain	—	(0.94)	(1.00)	(0.83)	—	—
Total Distributions to Shareholders	—	(0.94)	(1.00)	(0.96)	—	—
REDEMPTION FEES (a)	—(c)	—(c)	—(c)	—(c)	—	—(c)
NET ASSET VALUE, End of Period	<u>\$ 16.34</u>	<u>\$ 17.75</u>	<u>\$ 18.73</u>	<u>\$ 19.54</u>	<u>\$ 13.36</u>	<u>\$ 11.83</u>
TOTAL RETURN	(7.94)%(d)	(0.18)%	1.14%	54.15%	12.93%	(6.04)%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of Period (000's omitted)	\$23,008	\$32,809	\$23,976	\$32,391	\$11,396	\$10,765
Ratios to Average Net Assets:						
Net investment loss	(1.49)%(e)	(1.65)%	(1.65)%	(1.66)%	(1.26)%	(1.59)%
Net expenses	1.80%(e)	1.80%	1.80%	1.80%	1.80%	1.80%
Gross expenses (f)	2.37%(e)	2.26%	2.27%	2.71%	3.44%	3.40%
PORTFOLIO TURNOVER RATE	150%(d)	196%	263%	295%	294%	324%

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

The net realized and unrealized gain (loss) per share does not correlate to the aggregate of the net realized and unrealized gain (loss) in the Statement of Operations, primarily due to the timing of the sales and repurchases of the

(b) Fund's shares in relation to fluctuating market values for the Fund's portfolio.

(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 Lebenthal 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 March 2, 2015, the Fund was named Adams Harkness Small Cap Growth Fund.

Note 2. Summary of Significant Accounting Policies

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 – Exchange-traded securities and over-the-counter securities are valued using the last quoted trade or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and ask price provided by independent pricing services. Non-exchange-traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale, at the mean of the last bid and ask prices provided by independent pricing services. Shares of open-end mutual funds are valued at net asset value ("NAV"). Short-term investments that mature in 60 days or less may be valued at amortized cost.

The Fund values its investments at fair value pursuant to procedures adopted by the Trust's Board of Trustees (the "Board") if (1) market quotations are insufficient or 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 which may consider related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant investment information. Adviser inputs may include an income-based approach in which the anticipated future cash flows of the investment are discounted in determining fair value. Discounts may also be applied based on the nature or duration of any restrictions on the disposition of the investments. The Valuation Committee performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

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NOTES TO FINANCIAL STATEMENTS

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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 NAV than a NAV determined by using market quotes.

The Fund 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 — other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

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, 2016, 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 the Fund determines 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 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 files a U.S. federal income and excise tax return as required. The Fund's federal income tax returns are subject to examination by

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NOTES TO FINANCIAL STATEMENTS

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the Internal Revenue Service for a period of three fiscal years after they are filed. As of June 30, 2016, 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.

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 net asset value 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.

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, 2016, the Fund held \$977,869 as cash reserves at MUFG Union Bank, N.A. that exceeded the FDIC insurance limit.

Note 4. Fees and Expenses

Investment Adviser – Lebenthal 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 from the Fund at an annual rate of 1.00% 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 shares held by such customers.

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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 (12b-1) services. The Adviser compensates the Distributor directly for its services. The Distributor is not affiliated with the Adviser or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) (“Atlantic”) or their affiliates.

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

Trustees and Officers – The Trust pays each independent Trustee an annual fee of \$50,000 for service to the Trust (\$66,000 for the Chairman), and the Audit Committee Chairman and Vice Chairman receive an additional \$6,000 annually. The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees’ fees attributable to 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 1.80% for the period through April 30, 2017. Other Fund service providers have voluntarily agreed to waive a portion of their fees. The contractual waivers may be changed or eliminated at any time with the consent of the Board and voluntary fee waivers may be reduced or eliminated at any time. For the six months ended June 30, 2016, fees waived were as follows:

<u>Investment Adviser Fees Waived</u>	<u>Other Waivers</u>	<u>Total Fees Waived</u>
\$ 44,114	\$ 22,702	\$ 66,816

LEBENTHAL LISANTI SMALL CAP GROWTH FUND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

The Fund may repay the Adviser for fees waived and expenses reimbursed pursuant to the expense cap if such payment is made within three years of the fee waiver or expense reimbursement and the resulting expenses do not exceed 1.80%. As of June 30, 2016, the following amounts are subject to recapture by the Adviser:

	<u>Amount of Fees Waived and/or Expenses Reimbursed</u>	<u>Expiration Date to Recoup Fees Waived and/or Expenses Reimbursed</u>	<u>Fees Recouped</u>
December 31, 2015	\$ 79,985	December 31, 2018	\$ -
June 30, 2016	\$ 44,114	December 31, 2019	\$ -

Note 6. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investment and in-kind purchases and redemptions during the six months ended June 30, 2016, were \$36,127,248 and \$42,982,292, respectively.

Note 7. Federal Income Tax

As of December 31, 2015, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Long-Term Gain	\$	398,631
Capital and Other Losses		(581,340)
Unrealized Appreciation		1,464,006
Total	\$	<u>1,281,297</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.

For tax purposes, the prior year post-October loss was \$581,340 (realized during the period November 1, 2015 through December 31, 2015). This loss was recognized for tax purposes on the first business day of the Fund's current fiscal year, January 1, 2016.

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.

LEBENTHAL LISANTI SMALL CAP GROWTH FUND

ADDITIONAL INFORMATION

JUNE 30, 2016

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, on the Fund's website at www.lebenthal-lisantismallcap.com 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, on the Fund's website at www.lebenthal-lisantismallcap.com 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, 2016, through June 30, 2016.

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

LEBENTHAL LISANTI SMALL CAP GROWTH FUND

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reflect any transactional costs, such as redemption fees and exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs had been included, your costs would have been higher.

	Beginning Account Value January 1, 2016	Ending Account Value June 30, 2016	Expenses Paid During Period*	Annualized Expense Ratio*
Actual	\$ 1,000.00	\$ 920.56	\$ 8.60	1.80%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,015.91	\$ 9.02	1.80%

* Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year divided by 366 to reflect the half-year period.

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LEBENTHAL LISANTI SMALL CAP GROWTH FUND
P.O. Box 588
PORTLAND, ME 04112
(800) 441-7031
WWW.LEBENTHAL-LISANTISMLLCAP.COM

INVESTMENT ADVISER
LEBENTHAL LISANTI CAPITAL GROWTH, LLC
230 PARK AVENUE
32ND FLOOR
NEW YORK, NY 10169

DISTRIBUTOR
FORESIDE FUND SERVICES, LLC
THREE CANAL PLAZA
SUITE 100
PORTLAND, ME 04101
WWW.FORESIDE.COM

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