# Beck, Mack & Oliver Funds

## Beck, Mack & Oliver Global Equity Fund
## Beck, Mack & Oliver Partners Fund

# Annual Report

**March 31, 2011**

Beck, Mack & Oliver LLC

TABLE OF CONTENTS

**BECK, MACK & OLIVER GLOBAL EQUITY FUND**
A MESSAGE TO OUR SHAREHOLDERS
MARCH 31, 2011

Dear Fellow Shareholder:

The Beck, Mack & Oliver Global Equity Fund (the "Fund") ended its fiscal year on March 31, 2011 with a net asset value of $20.28 per share, realizing a return of 14.24% for the twelve-month period and representing an increase from its March 31, 2010 net asset value of $17.96 per share. The Fund's fiscal return compares with a return of 13.45% for the Fund's benchmark, the MSCI World Index ("MSCI")[1], and a 15.65% return for the S&P 500 Index ("S&P 500")[2]. For a longer term perspective, the Fund's 3-, 5-, and 10-year average annual total returns for the period ended March 31st were as follows:

| Average Annual Total Return as of 03/31/2011 | One Year | Three Years | Five Years | Ten Years |
|---|---|---|---|---|
| Beck, Mack & Oliver Global Equity Fund | 14.24% | 1.21% | 2.58% | 6.05% |
| MSCI World Index | 13.45% | -0.25% | 2.08% | 4.21% |
| S&P 500 Index | 15.65% | 2.35% | 2.62% | 3.29% |

*(Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please call (800) 943-6786. Shares redeemed or exchanged within 60 days of purchase will be charged a 2.00% redemption fee. As stated in the current prospectus, the Fund's annual operating expense ratio (gross) is 2.20%. However, the Fund's adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expenses do not exceed 1.25%, which is in effect until July 31, 2011; otherwise returns would have been lower. Returns greater than one year are annualized.) The recent growth rate in the stock market has helped to produce short-term returns that are not typical and may not continue in the future.*

As our long-term shareholders know, the Fund has made a substantial commitment to the Asia – Pacific region. We added to that commitment over the past fiscal year and it now stands just shy of 50% of assets under management. These holdings are made up of well diversified operating companies that have strong financials and trade at significant discounts to our appraised long-term values. In some cases that discount is severe, in excess of 35%. In addition to these business values, we also believe that the currencies in which the operating income is derived (i.e., new purchase First Pacific Corp, whose income is derived in Indonesian Rupee and Philippine Peso) are potentially undervalued versus the

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[1] The MSCI measures the performance of a diverse range of global stock markets in the United States, Canada, Europe, Australia, New Zealand and the Far East. The total return of the MSCI includes reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the MSCI does not include expenses. The Fund is professionally managed while the MSCI is unmanaged and is not available for investment.

[2] The S&P 500 is a market-value weighted index representing the performance of 500 widely held, publicly traded stocks. The total return of the S&P 500 includes reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the S&P 500 does not include expenses. The Fund is professionally managed while the S&P 500 is unmanaged and is not available for investment.

U.S. Dollar, given robust and fiscally healthy economies. From a Purchasing Power Parity[3] standpoint as expressed by The Economists' "Big Mac Index," these currencies may be as much as 40% undervalued.

**The Economist Big Mac Index as of April 28, 2011**

| | **Current** | **Previous** | **Percent Change** | **Over/Under versus U.S.** |
|---|---|---|---|---|
| Asia/Pacific | | | | |
| S. Korea | $3.03 | $2.59 | +16.99% | -18.33% |
| Australia | $3.84 | $3.37 | +13.95% | 3.50% |
| Singapore | $3.46 | $2.88 | +20.14% | -6.74% |
| Japan | $3.91 | $3.46 | +13.01% | 5.39% |
| Philippines | $2.19 | $2.05 | +6.83% | -40.97% |
| Hong Kong | $1.90 | $1.72 | +10.47% | -48.79% |
| Indonesia | $2.51 | $2.05 | +22.44% | -32.35% |
| Thailand | $2.44 | $1.89 | +29.10% | -34.23% |
| Malaysia | $2.25 | $1.88 | +19.68% | -39.35% |
| China | $2.18 | $1.83 | +19.13% | -41.24% |
| New Zealand | $3.59 | $3.08 | +16.56% | -3.23% |

*Source:* Bloomberg L.P.

*Past performance is not indicative of future results.*

For U.S. based investors, an investment in the Fund at the very least represents a diversification away from the U.S. Dollar and into potentially stronger currency revenue streams and denominations of securities.

We think there is significant long-term opportunity in Asia as it continues to develop and thrive economically. The region has a large, emerging consumer class with the desire, drive and capability to build wealth and the resultant higher standard of living. We also see valuations in a number of securities that appear discounted from a reasonable appraisal of fair value, primarily due to macro concerns. In property companies such as Henderson Land, it's the fear of a potential bubble that is about to burst. In our estimation, that analysis is too broad. We believe there are pockets of problems, but in real estate "everything is local" and what applies to one city, district, or even building, may not be true for another. It also appears that recent government actions in China, where Henderson Land operates, are meant to address a potential

[3] Purchasing power parity (PPP) is the theory that exchange rates between currencies are in equilibrium when their purchasing power is the same in each of the two countries, meaning that the exchange rate between two countries should equal the ratio of the two countries' price level of a fixed basket of goods and services. When a country's domestic price level is increasing (i.e., a country experiences inflation), that country's exchange rate must depreciate in order to return to PPP.

bubble. In general, there appears to be a natural pent-up demand for a higher standard of living. In commercial real estate (i.e. Hang Lung) we generally want to own the best quality product that can withstand and even thrive in a tough environment. We think many Asian countries are well poised for continued growth over the long-term. Thus the Fund's exposure to Asia is much larger than the exposure of the Fund's benchmark index (MSCI) to Asia and we are comfortable with that. While we know that we risk short-term underperformance, as was the case with our first quarter 2011 operations, we believe our patience will be rewarded over the long-term.

Our performance for fiscal 2011 was derived from a variety of our holdings in financials, diversified operations and consumer companies. One standout performer was CNP – the Belgian family holding company of entrepreneur extraordinaire Albert Frere. In recent days, CNP announced that it would go private with the help of BNP Paribas. CNP was the "mothership" of a chain of holding companies that held varied assets including French blue chip companies such as Total S.A. While we believe CNP is worth in excess of the offer, which was at about book value, the result was a large positive movement in the price of shares given an enormous, ongoing discount to net asset value ("NAV"). We of course thought that a premium to NAV was warranted for the collection of unique public and private assets under the guidance and stewardship of Frere and his team. Our Fund is populated with a number of similar situations, such as Investor AB. While there may or may not be value unlocking transactions in store for such holdings in the future, we remain confident that management, who is generally aligned with shareholders such as ourselves, is taking the necessary actions while seeking to continue to compound wealth at high rates of return into the future.

While the Fund's relatively muted recent performance stems from its overweighting in Asia, the Fund's positions in the Asian – Pacific region contributed significantly to its fiscal year total returns. Some of the biggest contributors to performance during the period included Fanuc Ltd. and Universal Entertainment Corporation in Japan, Genting Berhad in Malaysia, and HTC Corporation in Taiwan (which the Fund exited in March 2011). Canadian-based companies such as Huntingdon Real Estate Investment Trust and Potash Corp. of Saskatchewan, Inc. also outperformed.

The Fund's investments in the Healthcare sector on a whole and select Telecommunication Services stocks proved a drag on performance during the fiscal year. Healthcare stocks such as Novartis AG, Sanofi-Aventis SA and Baxter International minimized or detracted from performance. Other select holdings in Europe such as SES SA in Luxembourg and Münchener Rückversicherungs-Gesellschaft in Germany were additional laggards. The Fund's relatively limited exposure to U.S. stocks also impacted the Fund's relative performance.

During the period, assets that had successfully achieved their investment objectives (such as Potash) were divested as were select assets that constituted misses for the Fund. Select stocks in Europe were exited in order to allocate capital to cheaper situations presenting greater value. We remain constructive on the long-term outlook for stocks currently held by the Fund and we believe the portfolio is well positioned for long-term growth and preservation of capital.

Thank you for your continued investment in the Fund.

David E. Rappa

Peter A. Vlachos

Robert C. Beck

RISKS AND DISCLOSURE:

There is no assurance that the Fund will achieve its investment objective. An investment in the Fund is subject to risk, including the possible loss of principal amount invested. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, political and economic instability, and relatively illiquid markets. The Fund may invest in small and mid-sized capitalization companies meaning that these companies carry greater risk than is customarily associated with larger companies for various reasons such as narrower markets, limited financial resources and less liquid stock.

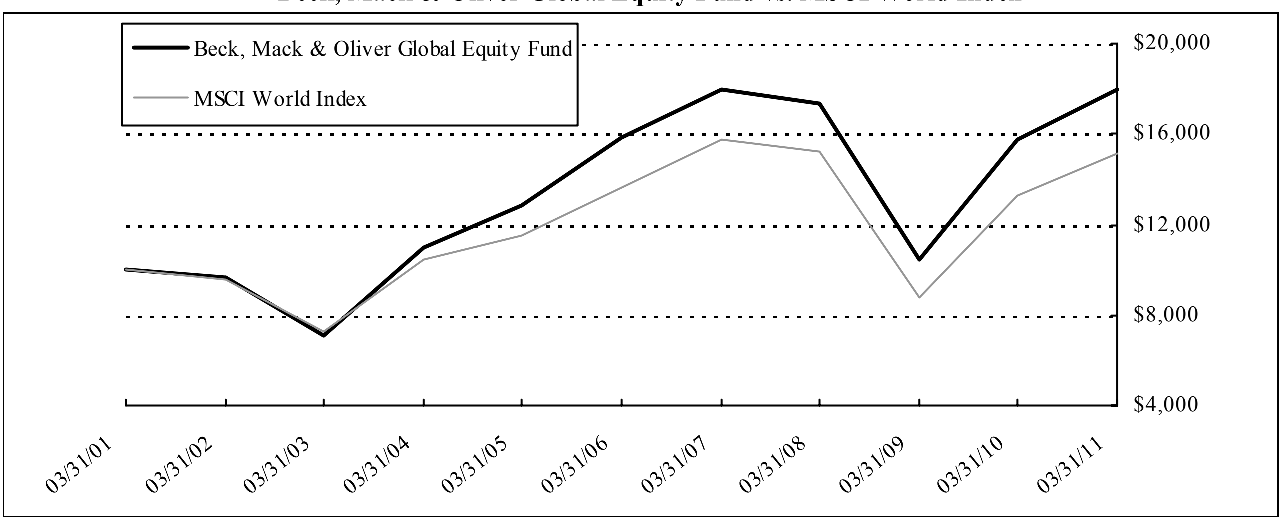
This letter may contain discussions about certain investments both held and not held in the portfolio. All current and future holdings are subject to risk and to change.

The views in this report were those of the Fund managers as of March 31, 2011 and may not reflect their views on the date this report is first published or any time thereafter. These views are intended to assist shareholders in understanding their investment in the Fund and do not constitute investment advice.

The following chart reflects the change in the value of a hypothetical $10,000 investment, including reinvested dividends and distributions, in the Beck, Mack & Oliver Global Equity Fund (the "Fund") compared with the performance of the benchmark, Morgan Stanley Capital International World Index ("MSCI"), over the past ten fiscal years. The MSCI measures the performance of a diverse range of global stock markets in the United States, Canada, Europe, Australia, New Zealand and the Far East. The total return of the MSCI includes reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the MSCI does not include expenses. The Fund is professionally managed while the MSCI is unmanaged and is not available for investment.

***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 (800) 943-6786. Shares redeemed or exchanged within 60 days of purchase will be charged a 2.00% redemption fee. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 2.20%. However, the Fund's adviser has agreed to contractually waive a portion of its fees and to reimburse expenses such that total operating expenses do not exceed 1.25%, which is in effect until July 31, 2011. During the period, certain fees were waived and/or expenses reimbursed; otherwise, returns would have been lower. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized.*

**Beck, Mack & Oliver Global Equity Fund vs. MSCI World Index**

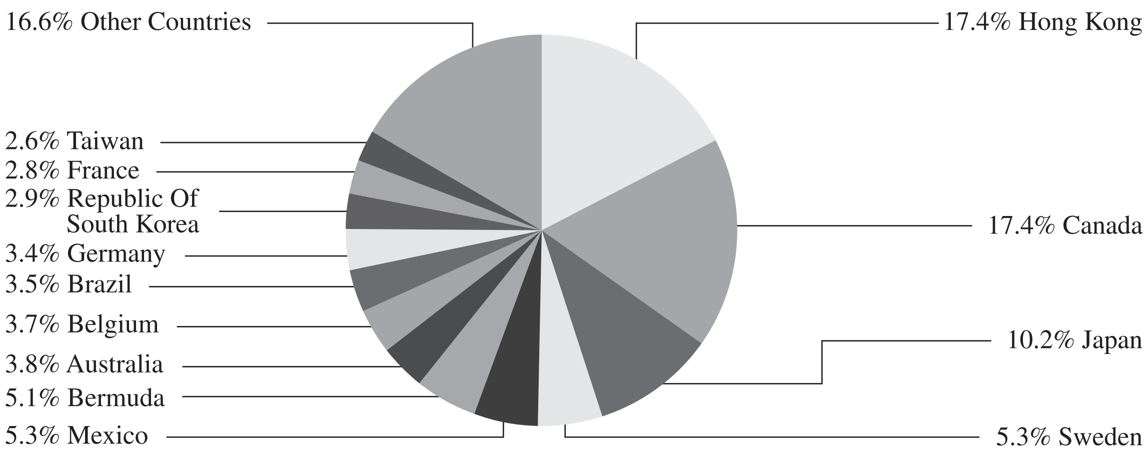



| **Investment Value on 03/31/11:** | |
|---|---|
| Beck, Mack & Oliver Global Equity Fund | $17,990 |
| MSCI World Index | $15,104 |

| **Average Annual Total Return as of 03/31/11:** | **One Year** | **Five Years** | **Ten Years** |
|---|---|---|---|
| Beck, Mack & Oliver Global Equity Fund | 14.24% | 2.58% | 6.05% |
| MSCI World Index | 13.45% | 2.08% | 4.21% |

## BECK, MACK & OLIVER GLOBAL EQUITY FUND
PORTFOLIO PROFILE
MARCH 31, 2011

**% of Total Investments**




**% of Total Investments**

| | |
|---|---|
| Financials | 42.7% |
| Consumer Discretionary | 16.8% |
| Consumer Staples | 13.8% |
| Energy | 12.2% |
| Industrials | 6.9% |
| Information Technology | 3.4% |
| Healthcare | 1.6% |
| Telecommunication Services | 1.5% |
| Materials | 1.1% |
| | 100.0% |

# BECK, MACK & OLIVER GLOBAL EQUITY FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2011

| Shares | Security Description | | Value |
|---|---|---|---|
| **Common Stock - 97.3%** | | | |
| **Australia - 3.6%** | | | |
| 196,100 | GrainCorp, Ltd. | $ | 1,543,582 |
| 6,435 | Rio Tinto, Ltd. | | 564,099 |
| 107,600 | Santos, Ltd. | | 1,730,653 |
| | | | 3,838,334 |
| **Belgium - 3.6%** | | | |
| 32,800 | Anheuser-Busch InBev NV | | 1,868,430 |
| 28,500 | Compagnie Nationale a Portefeuille | | 1,961,953 |
| | | | 3,830,383 |
| **Bermuda - 5.0%** | | | |
| 50,000 | Axis Capital Holdings, Ltd. | | 1,746,000 |
| 16,900 | Enstar Group, Ltd. (a) | | 1,687,972 |
| 26,150 | RenaissanceRe Holdings, Ltd. | | 1,804,088 |
| | | | 5,238,060 |
| **Brazil - 3.4%** | | | |
| 273,245 | BM&FBovespa SA | | 1,983,250 |
| 310,500 | TIM Participacoes SA (a) | | 1,588,017 |
| | | | 3,571,267 |
| **Canada - 16.9%** | | | |
| 69,200 | Brookfield Asset Management, Inc., Class A | | 2,249,089 |
| 101,315 | EnCana Corp. | | 3,498,407 |
| 2,735 | Fairfax Financial Holdings, Ltd. | | 1,033,311 |
| 695,750 | Huntingdon REIT (a) | | 4,808,174 |
| 30,000 | Imperial Oil, Ltd. | | 1,532,955 |
| 1,418,800 | Petroamerica Oil Corp. (a) | | 380,493 |
| 1,384,200 | Petromanas Energy, Inc. (a) | | 478,295 |
| 45,406 | Suncor Energy, Inc. | | 2,036,374 |
| 144,000 | Viterra, Inc. | | 1,746,715 |
| | | | 17,763,813 |
| **China - 2.5%** | | | |
| 448,000 | China Oilfield Services, Ltd., Class H | | 1,013,659 |
| 936,000 | Minth Group, Ltd. | | 1,569,115 |
| | | | 2,582,774 |
| **France - 2.8%** | | | |
| 29,000 | Total SA | | 1,765,398 |
| 39,700 | Vivendi SA | | 1,133,696 |
| | | | 2,899,094 |
| **Germany - 3.3%** | | | |
| 19,700 | Fresenius Medical Care AG & Co. KGaA, ADR | | 1,330,144 |
| 6,200 | Gerresheimer AG (a) | | 286,005 |
| 11,600 | Muenchener Rueckversicherungs AG, Class R | | 1,831,362 |
| | | | 3,447,511 |
| **Hong Kong - 17.0%** | | | |
| 138,300 | Cheung Kong Holdings, Ltd. | $ | 2,254,462 |
| 1,894,000 | First Pacific Co., Ltd. | | 1,694,691 |
| 144,000 | Guoco Group, Ltd. | | 1,777,195 |
| 450,000 | Hang Lung Properties, Ltd. | | 1,969,840 |
| 412,890 | Henderson Land Development Co., Ltd. | | 2,861,044 |
| 42,400 | Jardine Matheson Holdings, Ltd. | | 1,888,496 |
| 343,000 | Shangri-La Asia, Ltd. | | 886,322 |
| 178,000 | Television Broadcasts, Ltd. | | 1,045,773 |
| 2,001,000 | Value Partners Group, Ltd. | | 1,890,757 |
| 416,000 | Wheelock & Co., Ltd. | | 1,561,628 |
| | | | 17,830,208 |
| **India – 2.3%** | | | |
| 54,700 | Financial Technologies India, Ltd. | | 1,059,533 |
| 26,900 | ICICI Bank, Ltd., ADR | | 1,340,427 |
| | | | 2,399,960 |
| **Italy – 1.6%** | | | |
| 119,200 | Fiat Industrial SpA (a) | | 1,711,263 |
| **Japan – 9.9%** | | | |
| 118,000 | Daiwa Securities Group, Inc. | | 541,909 |
| 23,300 | Fanuc, Ltd. | | 3,526,653 |
| 39,100 | Honda Motor Co., Ltd. | | 1,468,953 |
| 320 | Osaka Securities Exchange Co., Ltd. | | 1,606,155 |
| 60,800 | Toyota Industries Corp. | | 1,839,058 |
| 49,200 | Universal Entertainment Corp. (a) | | 1,443,823 |
| | | | 10,426,551 |
| **Jordan – 0.9%** | | | |
| 74,670 | Arab Bank PLC | | 947,404 |
| **Malaysia – 2.0%** | | | |
| 574,000 | Genting Bhd | | 2,092,269 |
| **Mexico – 5.1%** | | | |
| 23,300 | Coca-Cola Femsa S.A.B. de C.V., ADR | | 1,793,867 |
| 26,700 | Fomento Economico Mexicano S.A.B. de C.V., ADR | | 1,567,290 |
| 82,100 | Grupo Televisa SA, ADR (a) | | 2,013,913 |
| | | | 5,375,070 |
| **Netherlands – 1.8%** | | | |
| 38,400 | Heineken Holding NV | | 1,845,942 |
| **Philippines – 1.0%** | | | |
| 2,001,700 | Alliance Global Group, Inc. | | 549,775 |
| 6,100,000 | Metro Pacific Investments Corp. | | 458,203 |
| | | | 1,007,978 |

| Shares | Security Description | | Value |
|---|---|---|---|
| **Republic Of South Korea - 2.8%** | | | |
| 45,500 | Jusung Engineering Co., Ltd. (a) | $ | 744,542 |
| 22,600 | LG Corp. | | 1,685,291 |
| 1,122 | POSCO | | 516,532 |
| | | | 2,946,365 |
| **Spain - 1.4%** | | | |
| 519,100 | Promotora de Informaciones SA (a) | | 1,515,477 |
| **Sweden - 5.1%** | | | |
| 35,701 | Industrivarden AB, Class A | | 692,877 |
| 126,300 | Investor AB, Class A | | 2,993,470 |
| 133,500 | Telefonaktiebolaget LM Ericsson, Class B | | 1,721,653 |
| | | | 5,408,000 |
| **Switzerland - 2.3%** | | | |
| 8,500 | Compagnie Financiere Richemont SA, Class A | | 490,936 |
| 34,120 | Nestle SA | | 1,955,817 |
| | | | 2,446,753 |
| **Taiwan - 2.5%** | | | |
| 877,700 | Uni-President Enterprises Corp. | | 1,202,840 |
| 2,030,000 | Yuanta Financial Holding Co., Ltd. | | 1,460,034 |
| | | | 2,662,874 |
| **United States - 0.5%** | | | |
| 19,400 | US Bancorp | | 512,742 |
| Total Common Stock (Cost $84,436,260) | | | 102,300,092 |

| Contracts | Security Description | | Strike Price | Exp. Date | | Value |
|---|---|---|---|---|---|---|
| **Call Options Purchased - 0.0%** | | | | | | |
| 800,000 | Canadian Currency (b) | $ | 1.18 | 07/11 | $ | 214 |
| 700,000 | Canadian Currency (b) | | 1.15 | 07/11 | | 307 |
| 350,000 | Japanese Currency (b) | | 95.00 | 10/11 | | 1,460 |
| 350,000 | Japanese Currency (b) | | 90.00 | 10/11 | | 3,609 |
| 350,000 | Japanese Currency (b) | | 98.00 | 11/11 | | 1,025 |
| 350,000 | Japanese Currency (b) | | 92.00 | 11/11 | | 2,829 |
| Total Call Options Purchased (Premiums Paid $55,175) | | | | | | 9,444 |
| Total Investments - 97.3% (Cost $84,491,435)* | | | | | $ | 102,309,536 |
| Other Assets & Liabilities, Net – 2.7% | | | | | | 2,847,566 |
| **Net Assets – 100.0%** | | | | | **$** | **105,157,102** |

| | |
|---|---|
| ADR | American Depository Receipt |
| PLC | Public Limited Company |
| REIT | Real Estate Investment Trust |
| (a) | Non-income producing security. |
| (b) | Security fair valued in accordance with procedures adopted by the Board of Trustees. At the period end, the value of these securities amounted to $9,444 or 0.0% of net assets. |

*Cost for federal income tax purposes is $88,682,432 and net unrealized appreciation consists of:

| | | |
|---|---|---|
| Gross Unrealized Appreciation | $ | 15,153,420 |
| Gross Unrealized Depreciation | | (1,526,316) |
| Net Unrealized Appreciation | $ | 13,627,104 |

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 tables below, please refer to Note 2 - Security Valuation section in the accompanying Notes to Financial Statements.

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of March 31, 2011.

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| **Investments At Value:** | | | | |
| Common Stock | | | | |
| Australia | $ 3,838,334 | $ - | $ - | $ 3,838,334 |
| Belgium | 3,830,383 | - | - | 3,830,383 |
| Bermuda | 5,238,060 | - | - | 5,238,060 |
| Brazil | 3,571,267 | - | - | 3,571,267 |
| Canada | 17,763,813 | - | - | 17,763,813 |
| China | 2,582,774 | - | - | 2,582,774 |
| France | 2,899,094 | - | - | 2,899,094 |
| Germany | 3,447,511 | - | - | 3,447,511 |
| Hong Kong | 17,830,208 | - | - | 17,830,208 |
| India | 2,399,960 | - | - | 2,399,960 |
| Italy | 1,711,263 | - | - | 1,711,263 |
| Japan | 10,426,551 | - | - | 10,426,551 |
| Jordan | 947,404 | - | - | 947,404 |
| Malaysia | 2,092,269 | - | - | 2,092,269 |
| Mexico | 5,375,070 | - | - | 5,375,070 |
| Netherlands | 1,845,942 | - | - | 1,845,942 |
| Philippines | 1,007,978 | - | - | 1,007,978 |
| Republic Of South Korea | 2,946,365 | - | - | 2,946,365 |
| Spain | 1,515,477 | - | - | 1,515,477 |
| Sweden | 5,408,000 | - | - | 5,408,000 |
| Switzerland | 2,446,753 | - | - | 2,446,753 |
| Taiwan | 2,662,874 | - | - | 2,662,874 |
| United States | 512,742 | - | - | 512,742 |
| Call Options Purchased | - | - | 9,444 | 9,444 |
| **Total Investments At Value** | **$ 102,300,092** | **$ -** | **$ 9,444** | **$ 102,309,536** |
| **Other Financial Instruments**** | | | | |
| Forward Currency Contracts | - | 83,096 | - | 83,096 |
| **Total Assets** | **$ 102,300,092** | **$ 83,096** | **$ 9,444** | **$ 102,392,632** |
| **Liabilities** | | | | |
| **Other Financial Instruments**** | | | | |
| Forward Currency Contracts | - | (1,046,572) | - | (1,046,572) |
| **Total Liabilities** | **$ -** | **$ (1,046,572)** | **$ -** | **$ (1,046,572)** |

** Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments, such as forward currency contracts, which are valued at the unrealized appreciation (depreciation) of the instrument.

The following is a reconciliation of Level 3 assets (at either the beginning or ending of the period) for which significant unobservable inputs were used to determine fair value.

| | Call Options Purchased | |
|---|---|---|
| **Balance as of 03/31/10** | $ | - |
| Transfers In | | 9,444 |
| **Balance as of 03/31/11** | $ | 9,444 |
| Net change in unrealized depreciation from investments held as of 03/31/11*** | $ | (45,731) |

*** The unrealized depreciation is included in net change in unrealized appreciation (depreciation) on investments in the accompanying Statement of Operations.

**BECK, MACK & OLIVER GLOBAL EQUITY FUND**
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2011

| | | |
|---|---|---|
| **ASSETS** | | |
| Total investments, at value (Cost $84,491,435) | $ | 102,309,536 |
| Cash | | 5,585,057 |
| Foreign currency (Cost $35,192) | | 35,192 |
| Receivables: | | |
| Fund shares sold | | 113,850 |
| Investment securities sold | | 1,133,704 |
| Dividends and interest | | 353,672 |
| Unrealized gain on forward currency contracts | | 83,096 |
| Prepaid expenses | | 12,401 |
| Total Assets | | 109,626,508 |
| **LIABILITIES** | | |
| Unrealized loss on forward currency contracts | | 1,046,572 |
| Payables: | | |
| Investment securities purchased | | 3,285,075 |
| Fund shares redeemed | | 1,000 |
| Accrued Liabilities: | | |
| Investment adviser fees | | 69,702 |
| Trustees' fees and expenses | | 35 |
| Fund service fees | | 15,976 |
| Compliance services fees | | 1,752 |
| Other expenses | | 49,294 |
| Total Liabilities | | 4,469,406 |
| **NET ASSETS** | $ | 105,157,102 |
| **COMPONENTS OF NET ASSETS** | | |
| Paid-in capital | $ | 89,362,062 |
| Undistributed net investment income | | 90,480 |
| Accumulated net realized loss | | (1,148,909) |
| Net unrealized appreciation | | 16,853,469 |
| **NET ASSETS** | $ | 105,157,102 |
| **SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)** | | 5,184,519 |
| **NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*** | $ | 20.28 |

* Shares redeemed or exchanged within 60 days of purchase are charged a 2.00% redemption fee.

**BECK, MACK & OLIVER GLOBAL EQUITY FUND**
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2011

| | |
|---|---|
| **INVESTMENT INCOME** | |
| Dividend income (Net of foreign withholding taxes of $211,950) | $ 1,683,711 |
| Interest income | 29,982 |
| Total Investment Income | 1,713,693 |
| | |
| **EXPENSES** | |
| Investment adviser fees | 1,328,943 |
| Fund service fees | 181,632 |
| Custodian fees | 53,858 |
| Registration fees | 21,706 |
| Professional fees | 88,144 |
| Trustees' fees and expenses | 2,752 |
| Compliance services fees | 26,068 |
| Miscellaneous expenses | 38,977 |
| Total Expenses | 1,742,080 |
| Fees waived and expenses reimbursed | (634,626) |
| Net Expenses | 1,107,454 |
| | |
| **NET INVESTMENT INCOME** | 606,239 |
| | |
| **NET REALIZED AND UNREALIZED GAIN (LOSS)** | |
| Net realized gain (loss) on: | |
| Investments | 5,465,298 |
| Foreign currency transactions | (1,327,088) |
| Net realized gain | 4,138,210 |
| Net change in unrealized appreciation (depreciation) on: | |
| Investments | 8,820,932 |
| Foreign currency translations | (1,036,288) |
| Net change in unrealized appreciation (depreciation) | 7,784,644 |
| **NET REALIZED AND UNREALIZED GAIN** | 11,922,854 |
| **INCREASE IN NET ASSETS FROM OPERATIONS** | $ 12,529,093 |

See Notes to Financial Statements.

**BECK, MACK & OLIVER GLOBAL EQUITY FUND**
STATEMENTS OF CHANGES IN NET ASSETS

| | For the Years Ended March 31, 2011 | For the Years Ended March 31, 2010 |
|---|---|---|
| **OPERATIONS** | | |
| Net investment income | $ 606,239 | $ 370,884 |
| Net realized gain (loss) | 4,138,210 | (1,637,594) |
| Net change in unrealized appreciation (depreciation) | 7,784,644 | 20,414,178 |
| Increase in Net Assets Resulting from Operations | 12,529,093 | 19,147,468 |
| **DISTRIBUTIONS TO SHAREHOLDERS FROM** | | |
| Net investment income | (1,183,670) | (152,280) |
| Total Distributions to Shareholders | (1,183,670) | (152,280) |
| **CAPITAL SHARE TRANSACTIONS** | | |
| Sale of shares | 30,807,564 | 15,519,757 |
| Reinvestment of distributions | 1,066,235 | 141,354 |
| Redemption of shares | (4,240,785) | (4,746,432) |
| Redemption fees | 9,521 | — |
| Increase in Net Assets from Capital Share Transactions | 27,642,535 | 10,914,679 |
| Increase in Net Assets | 38,987,958 | 29,909,867 |
| **NET ASSETS** | | |
| Beginning of Year | 66,169,144 | 36,259,277 |
| End of Year (Including line (a)) | $ 105,157,102 | $ 66,169,144 |
| **SHARE TRANSACTIONS** | | |
| Sale of shares | 1,670,605 | 953,756 |
| Reinvestment of distributions | 53,499 | 8,082 |
| Redemption of shares | (222,985) | (302,306) |
| Increase in Shares | 1,501,119 | 659,532 |
| (a) Undistributed (distributions in excess of) net investment income. | $ 90,480 | $ (170,054) |

See Notes to Financial Statements.

## BECK, MACK & OLIVER GLOBAL EQUITY FUND
FINANCIAL HIGHLIGHTS

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

| | For the Years Ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| **NET ASSET VALUE, Beginning of Year** | $ 17.96 | $ 11.99 | $ 20.34 | $ 22.78 | $ 21.97 |
| **INVESTMENT OPERATIONS** | | | | | |
| Net investment income (a) | 0.13 | 0.11 | 0.12 | 0.07 | 0.11 |
| Net realized and unrealized gain (loss) | 2.42 | 5.90 | (8.12) | (0.64) | 2.69 |
| Total from Investment Operations | 2.55 | 6.01 | (8.00) | (0.57) | 2.80 |
| **DISTRIBUTIONS TO SHAREHOLDERS FROM** | | | | | |
| Net investment income | (0.23) | (0.04) | — | (0.53) | (0.46) |
| Net realized gain | — | — | (0.35) | (1.34) | (1.53) |
| Total Distributions to Shareholders | (0.23) | (0.04) | (0.35) | (1.87) | (1.99) |
| **REDEMPTION FEES (a)** | —(b) | — | — | —(b) | —(b) |
| **NET ASSET VALUE, End of Year** | $ 20.28 | $ 17.96 | $ 11.99 | $ 20.34 | $ 22.78 |
| **TOTAL RETURN** | 14.24% | 50.16% | (39.51)% | (3.32)% | 13.22% |
| **RATIOS/SUPPLEMENTARY DATA** | | | | | |
| Net Assets at End of Year (000's omitted) | $105,157 | $66,169 | $36,259 | $55,437 | $54,280 |
| Ratios to Average Net Assets: | | | | | |
| Net investment income | 0.68% | 0.69% | 0.73% | 0.29% | 0.49% |
| Net expense | 1.25% | 1.34% | 1.75% | 1.75% | 1.90% |
| Gross expense (c) | 1.97% | 2.20% | 2.28% | 2.07% | 2.28% |
| **PORTFOLIO TURNOVER RATE** | 122% | 54% | 56% | 51% | 26% |

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

Dear Fellow Shareholder:

The Beck, Mack & Oliver Partners Fund (the "Partners Fund") ended its fiscal year on March 31, 2011 with a net asset value of $12.53 per share, realizing a return of 22.62% for the twelve-month period and representing an increase from its March 31, 2010 net asset value of $10.66 per share. The Partners Fund's fiscal return compares with a return of 15.65% for the Partners Fund's benchmark, the S&P 500 Index ("S&P 500")[4].

Despite strong performance during the past two years the S&P 500 remains well below the previous peak reached in October 2007. Corporate profits, however, have more than fully recovered and S&P 500 operating earnings are expected to reach a record level of approximately $100 per share in 2011 and continue growing in 2012. Thus, with the S&P 500 trading at approximately 13x its 2011 estimated operating earnings and with the distribution of those earnings being more balanced (the financial sector represented 31% of operating earnings in 2007 and represented 15% in 2010), the market is attractively valued relative to historic standards.

One factor that we find disquieting is that a portion of last year's stock market gain was fueled by government actions. Through late August 2010, the market was down 6% and marked by concerns that the economic recovery had lost the break-out velocity needed to free itself from the strong gravitational pull of a double dip recession. Federal Reserve Chairman Ben Bernanke responded by suggesting that the Fed was prepared to provide additional stimulus *"if necessary."* These comments had an almost immediate positive impact and the implementation of a second round of quantitative easing confirmed that additional stimulus was needed. The extension of the Bush tax cuts that had been set to expire at year-end provided an additional lift to the market. Our chief concern is that these measures amount to a sugar high for the economy and merely delay our having to deal with fundamental imbalances that exist. We might be better served taking a page out of the Paul Volker playbook...*"some pain now rather than greater pain later."*

The risk of inflation tops our list of concerns. Low interest rates and increased government spending undoubtedly played a crucial role in helping the global economy to stabilize. A likely outcome of this exaggerated accommodative stance, however, is higher than average inflation. Some economists are concerned about a return to the extreme levels of the 1970s, when inflation in many developed economies reached 10 percent (a level that is historically associated with unstable emerging markets). While some at the Federal Reserve point to the fact that core CPI (Consumer Price Index – a measure that examines the weighted-average of prices of a basket of consumer goods and services) growth has been muted, total CPI (including food and energy) recently increased at a 6% annualized rate. Even if this never translates into high core CPI growth, food and energy prices matter and have a meaningful impact on consumer spending. Said plainly, when prices rise faster than incomes, an individual's ability to spend is diminished.

As investors we recognize that inflation leads to the destruction of shareholder value due to the fact that most companies have difficulty passing on cost increases to their customers without diminishing unit volumes. These costs can be directly tied to the product or service sold (higher material costs: oil, cotton, corn, etc) or indirect costs associated with

[4] The S&P 500 is a market-value weighted index representing the performance of 500 widely held, publicly traded stocks. The total return of the S&P 500 includes reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the S&P 500 does not include expenses. The Fund is professionally managed while the S&P 500 is unmanaged and is not available for investment.

capital expenditures (the cost of repairing and maintaining a company's plant, property and equipment). When companies fail to pass on rising input costs to their customers, they fail to maintain cash flows in real terms and the value of their business is reduced.

Further, as inflation rises, so do concerns about future inflationary pressures, which in turn leads to an increase in the risk premium for holding equities. Investors then start discounting future earnings at a higher rate, causing valuation multiples to compress and driving equity prices lower. While equities become less attractive, they often tend to be the best house in a bad neighborhood, as inflation can have a devastating impact on a fixed income portfolio, particularly one that has a higher weighted-average maturity.

We remain intrigued/confused by investors' strong affinity toward bonds, which has created opportunities to purchase equities at attractive relative valuations. A prime example of this in 2010 was Johnson & Johnson (JNJ), which issued 10-year bonds at a yield of 2.95%. At the time JNJ shares had a dividend yield of 3.7%. It seemed to us that purchasing the equity with a 25% yield advantage vs. the bonds and a high potential for a rising dividend (JNJ has raised its dividend for 48 consecutive years) was the intelligent way to allocate capital. Purchasing the bonds at that juncture, in our view, was more driven by fear of equities than by sound fundamental analysis. Toward the end of 2010 our perspective was validated as investors grew increasingly comfortable with equities and bonds performed poorly (the 20-year Treasury price shed about 10% while large cap equity indexes were up approximately 10% for the year).

As of 03/31/11 the Partners Fund's portfolio remained overweight Energy (19% vs. 13% for the S&P 500), Financials (28% vs. 16% for the S&P 500) and Healthcare (18% vs. 11% for the S&P 500). The Energy sector was the strongest performer in the market with energy stocks in the S&P 500 up 23.6% over the year vs. the S&P 500 which appreciated 15.6%. Fluor (FLR) was the best performing stock in the Partners Fund's portfolio (up 58.4% for the year) and, while categorized as an industrial, the company is well-positioned to benefit from the global build out of oil and gas infrastructure. ConocoPhillips (COP) up 56%, Schlumberger (SLB) up 47% and Williams (WMB) up 35% are all energy names that contributed significantly to performance.

Our large Healthcare exposure detracted from performance during the year, however we remain sanguine about the prospects for these equities. While there are clearly macro headwinds in the healthcare industry, the favorable demographic trends coupled with compelling valuations lead us to believe that these companies will contribute to performance over a longer period of time. Merck (MRK) was down 11.6% for the year and was the second worst performing stock in the portfolio. However, MRK has delivered positive cash flows every year since 1973 and these cumulative cash flows, a measure of a company's financial health, now exceed the share price by almost $15.

We thank you for your continued support.

Zachary A. Wydra

RISKS AND DISCLOSURE:

There is no assurance that the Partners Fund will achieve its investment objective. An investment in the Partners Fund is subject to risk, including the possible loss of principal amount invested. The risks associated with the Partners Fund include: equity and convertible securities risk, foreign securities risk, management risk, debt securities risk, non-investment grade securities risk, liquidity risk and non-diversification risk. The Fund may invest in small and mid-sized capitalization companies meaning that these companies carry greater risk than is customarily associated with larger companies for various reasons such as narrower markets, limited financial resources and less liquid stock.

This letter may contain discussions about certain investments both held and not held in the portfolio. All current and future holdings are subject to risk and to change.

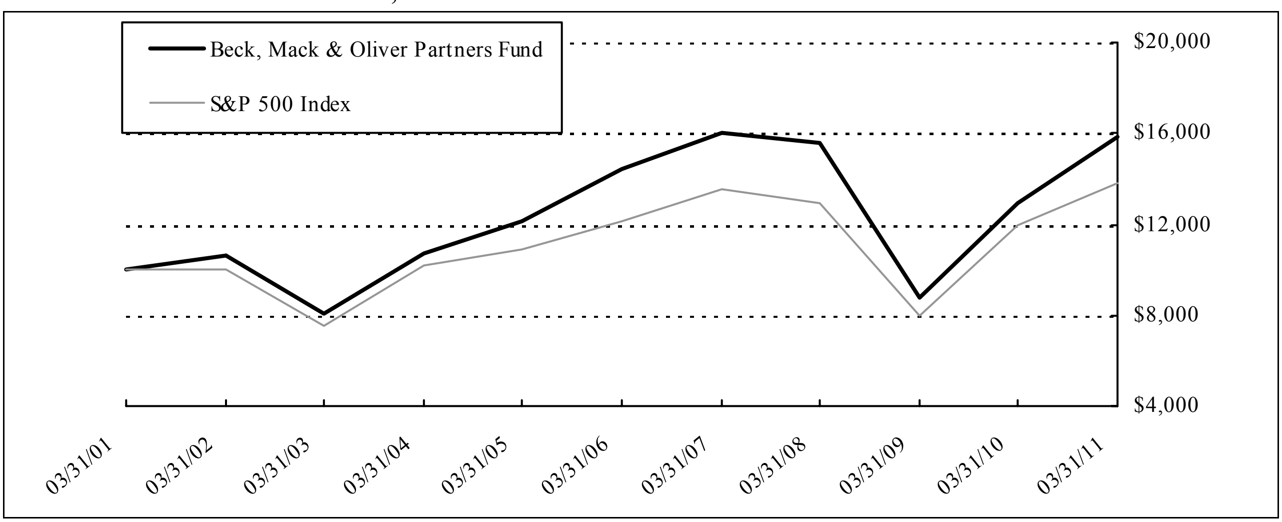
The views in this report were those of the Partners Fund managers as of March 31, 2011 and may not reflect their views on the date this report is first published or any time thereafter. These views are intended to assist shareholders in understanding their investment in the Fund and do not constitute investment advice.

On December 1, 2009, a limited partnership managed by the adviser reorganized into the Partners Fund. The predecessor limited partnership maintained an investment objective and investment policies that were, in all material respects, equivalent to those of the Partners Fund. The Partners Fund's performance for the periods before December 1, 2009 is that of the limited partnership and includes the expenses of the limited partnership, which were lower than the Partners Fund's current expenses, except for 2008 where the expenses of the limited partnership were higher. The performance prior to December 1, 2009 is based on calculations that are different from the standardized method of calculations by the SEC. If the limited partnership's performance had been readjusted to reflect the estimated expenses of the Partners Fund for its first fiscal year, the performance would have been lower. The limited partnership was not registered under the Investment Company Act of 1940 ("1940 Act") and was not subject to certain investment limitations, diversification requirements, and other restrictions imposed by the 1940 Act and the Internal Revenue Code of 1986, which, if applicable, may have adversely affected its performance.

The following chart reflects the change in the value of a hypothetical $10,000 investment, including reinvested dividends and distributions, in the Beck, Mack & Oliver Partners Fund (the "Fund") compared with the performance of the benchmark, the S&P 500 Index (the "S&P 500"), over the past ten fiscal years. The S&P 500 is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The total return of the S&P 500 includes reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the S&P 500 does not include expenses. The Fund is professionally managed while the S&P 500 is unmanaged and is not available for investment.

***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 (800) 943-6786. Shares redeemed or exchanged within 60 days of purchase will be charged a 2.00% redemption fee. As stated in the Fund's prospectus, the annual operating expense ratio (gross) is 2.56%. However, the Fund's adviser has agreed to contractually waive a portion of its fees and to reimburse expenses such that total operating expenses do not exceed 1.00%, which is in effect until July 31, 2011. During the period, certain fees were waived and/or expenses reimbursed; otherwise, returns would have been lower. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized.*

**Beck, Mack & Oliver Partners Fund vs. S&P 500 Index**

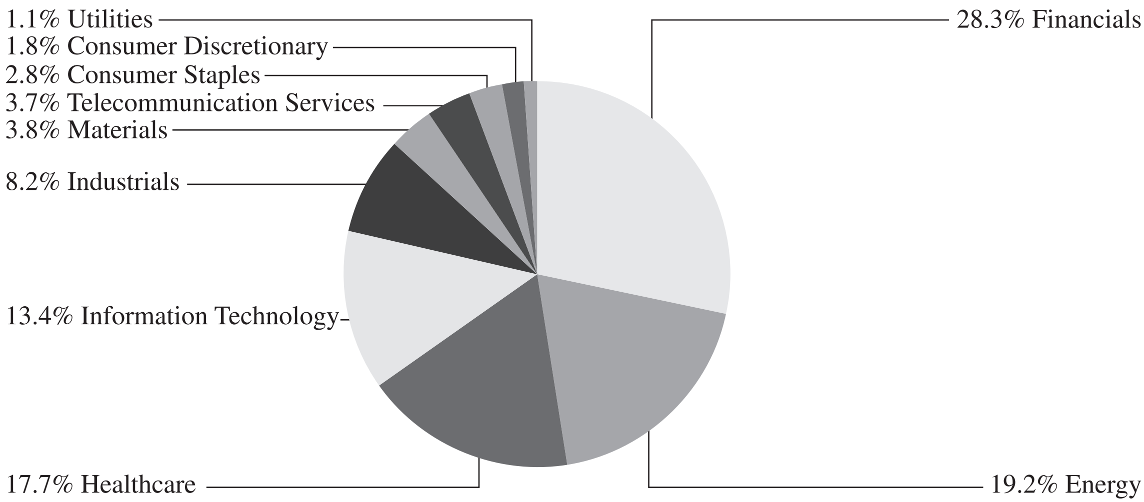



| **Investment Value on 03/31/11:** | |
|---|---|
| Beck, Mack & Oliver Partners Fund | $15,802 |
| S&P 500 Index | $13,828 |

| **Average Annual Total Return as of 03/31/11:** | **One Year** | **Five Years** | **Ten Years** |
|---|---|---|---|
| Beck, Mack & Oliver Partners Fund | 22.62% | 1.84% | 4.68% |
| S&P 500 Index | 15.65% | 2.62% | 3.29% |

**BECK, MACK & OLIVER PARTNERS FUND**
PORTFOLIO PROFILE
MARCH 31, 2011

**% of Total Investments**



## BECK, MACK & OLIVER PARTNERS FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2011

| Shares | Security Description | | Value |
|---|---|---|---|
| **Common Stock - 97.0%** | | | |
| **Consumer Discretionary - 1.8%** | | | |
| 17,700 | Lowe's Cos., Inc. | $ | 467,811 |
| **Consumer Staples - 2.8%** | | | |
| 13,100 | Anheuser-Busch InBev NV, ADR | | 748,927 |
| **Energy - 19.0%** | | | |
| 11,278 | ConocoPhillips | | 900,661 |
| 37,213 | EnCana Corp. | | 1,284,965 |
| 26,900 | Noble Corp. | | 1,227,178 |
| 9,930 | Plains Exploration & Production Co. (a) | | 359,764 |
| 5,789 | Schlumberger, Ltd. | | 539,882 |
| 13,190 | Subsea 7 SA, ADR | | 333,443 |
| 12,490 | The Williams Cos., Inc. | | 389,438 |
| | | | 5,035,331 |
| **Financials - 28.0%** | | | |
| 16,600 | Axis Capital Holdings, Ltd. | | 579,672 |
| 2,250 | Berkshire Hathaway, Inc., Class B (a) | | 188,168 |
| 42,179 | Brookfield Asset Management, Inc., Class A | | 1,369,130 |
| 15,632 | Enstar Group, Ltd. (a) | | 1,561,324 |
| 9,000 | Homefed Corp. (a) | | 245,250 |
| 32,213 | Leucadia National Corp. | | 1,209,276 |
| 25,534 | PICO Holdings, Inc. (a) | | 767,552 |
| 15,100 | RenaissanceRe Holdings, Ltd. | | 1,041,749 |
| 17,700 | US Bancorp | | 467,811 |
| | | | 7,429,932 |
| **Healthcare - 17.6%** | | | |
| 19,827 | Abbott Laboratories | | 972,514 |
| 21,100 | Baxter International, Inc. | | 1,134,547 |
| 18,236 | Johnson & Johnson | | 1,080,483 |
| 44,452 | Merck & Co., Inc. | | 1,467,361 |
| | | | 4,654,905 |
| **Industrials - 8.1%** | | | |
| 9,829 | Dover Corp. | | 646,159 |
| 11,156 | Fluor Corp. | | 821,751 |
| 7,846 | Roper Industries, Inc. | | 678,365 |
| | | | 2,146,275 |
| **Information Technology - 13.3%** | | | |
| 5,940 | International Business Machines Corp. | | 968,636 |
| 68,378 | Molex, Inc., Class A | | 1,414,741 |
| 20,813 | QUALCOMM, Inc. | | 1,141,176 |
| | | | 3,524,553 |
| **Materials - 3.8%** | | | |
| 36,499 | Nalco Holding Co. | | 996,788 |
| **Telecommunication Services - 1.5%** | | | |
| 276,099 | Level 3 Communications, Inc. (a) | $ | 405,866 |
| **Utilities - 1.1%** | | | |
| 13,000 | Brookfield Infrastructure Partners LP | | 288,860 |
| Total Common Stock (Cost $18,428,019) | | | **25,699,248** |

| Principal | Security Description | Rate | Maturity | | Value |
|---|---|---|---|---|---|
| **Corporate Non-Convertible Bonds - 2.1%** | | | | | |
| **Telecommunication Services - 2.1%** | | | | | |
| $ 540,000 | Level 3 Financing, Inc. (Cost $525,155) | 9.25% | 11/01/14 | | 554,850 |
| Total Investments - 99.1% (Cost $18,953,174)* | | | | $ | 26,254,098 |
| Other Assets & Liabilities, Net – 0.9% | | | | | 226,861 |
| **Net Assets – 100.0%** | | | | **$** | **26,480,959** |

ADR American Depository Receipt
LP Limited Partnership
(a) Non-income producing security.

*Cost for federal income tax purposes is $18,994,898 and net unrealized appreciation consists of:

| | | |
|---|---|---|
| Gross Unrealized Appreciation | $ | 7,614,693 |
| Gross Unrealized Depreciation | | (355,493) |
| Net Unrealized Appreciation | $ | 7,259,200 |

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 tables below, please refer to Note 2 - Security Valuation section in the accompanying Notes to Financial Statements.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2011.

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Investments At Value:** | | | | |
| Common Stock | | | | |
| Consumer Discretionary | $ 467,811 | $ - | $ - | $ 467,811 |
| Consumer Staples | 748,927 | - | - | 748,927 |
| Energy | 5,035,331 | - | - | 5,035,331 |
| Financials | 7,429,932 | - | - | 7,429,932 |
| Healthcare | 4,654,905 | - | - | 4,654,905 |
| Industrials | 2,146,275 | - | - | 2,146,275 |
| Information Technology | 3,524,553 | - | - | 3,524,553 |
| Materials | 996,788 | - | - | 996,788 |
| Telecommunication Services | 405,866 | - | - | 405,866 |
| Utilities | 288,860 | - | - | 288,860 |
| Corporate Non-Convertible Bonds | - | 554,850 | - | 554,850 |
| **Total Investments At Value** | **$ 25,699,248** | **$ 554,850** | **$ -** | **$ 26,254,098** |

**BECK, MACK & OLIVER PARTNERS FUND**
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2011

| | | |
|---|---|---|
| **ASSETS** | | |
| Total investments, at value (Cost $18,953,174) | $ | 26,254,098 |
| Cash | | 195,739 |
| Receivables: | | |
| Dividends and interest | | 65,508 |
| Prepaid expenses | | 8,284 |
| Total Assets | | 26,523,629 |
| **LIABILITIES** | | |
| Payables: | | |
| Fund shares redeemed | | 1,031 |
| Accrued Liabilities: | | |
| Investment adviser fees | | 7,199 |
| Trustees' fees and expenses | | 9 |
| Fund service fees | | 7,894 |
| Compliance services fees | | 748 |
| Other expenses | | 25,789 |
| Total Liabilities | | 42,670 |
| **NET ASSETS** | $ | 26,480,959 |
| **COMPONENTS OF NET ASSETS** | | |
| Paid-in capital | $ | 18,417,963 |
| Undistributed net investment income | | 50,897 |
| Accumulated net realized gain | | 711,175 |
| Net unrealized appreciation | | 7,300,924 |
| **NET ASSETS** | $ | 26,480,959 |
| **SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)** | | 2,113,267 |
| **NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*** | $ | 12.53 |

* Shares redeemed or exchanged within 60 days of purchase are charged a 2.00% redemption fee.

**BECK, MACK & OLIVER PARTNERS FUND**
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2011

| | |
|---|---|
| **INVESTMENT INCOME** | |
| Dividend income (Net of foreign withholding taxes of $3,803) | $ 374,189 |
| Interest income | 56,585 |
| Total Investment Income | 430,774 |
| | |
| **EXPENSES** | |
| Investment adviser fees | 211,814 |
| Fund service fees | 153,599 |
| Custodian fees | 9,913 |
| Registration fees | 9,264 |
| Professional fees | 42,701 |
| Trustees' fees and expenses | 681 |
| Compliance services fees | 10,082 |
| Miscellaneous expenses | 12,971 |
| Total Expenses | 451,025 |
| Fees waived and expenses reimbursed | (239,212) |
| Net Expenses | 211,813 |
| | |
| **NET INVESTMENT INCOME** | 218,961 |
| | |
| **NET REALIZED AND UNREALIZED GAIN (LOSS)** | |
| Net realized gain on investments | 1,121,783 |
| Net change in unrealized appreciation on investments | 3,356,797 |
| **NET REALIZED AND UNREALIZED GAIN** | 4,478,580 |
| **INCREASE IN NET ASSETS FROM OPERATIONS** | $ 4,697,541 |

**BECK, MACK & OLIVER PARTNERS FUND**
STATEMENTS OF CHANGES IN NET ASSETS

| | For the Year Ended March 31, 2011 | December 1, 2009* through March 31, 2010 |
|---|---|---|
| **OPERATIONS** | | |
| Net investment income | $ 218,961 | $ 49,805 |
| Net realized gain on investments | 1,121,783 | 342,210 |
| Net change in unrealized appreciation on investments | 3,356,797 | 696,065 |
| Increase in Net Assets Resulting from Operations | 4,697,541 | 1,088,080 |
| **DISTRIBUTIONS TO SHAREHOLDERS FROM** | | |
| Net investment income | (203,007) | (15,673) |
| Net realized gain | (756,148) | - |
| Total Distributions to Shareholders | (959,155) | (15,673) |
| **CAPITAL SHARE TRANSACTIONS** | | |
| Sale of shares | 3,375,171 | 5,029,969 |
| Shares issued from reorganization (Note 1) | - | 13,513,594 |
| Reinvestment of distributions | 946,674 | 15,651 |
| Redemption of shares | (797,600) | (413,320) |
| Redemption fees | 27 | - |
| Increase in Net Assets from Capital Share Transactions | 3,524,272 | 18,145,894 |
| Increase in Net Assets | 7,262,658 | 19,218,301 |
| **NET ASSETS** | | |
| Beginning of Period | 19,218,301 | - |
| End of Period (Including line (a)) | $ 26,480,959 | $ 19,218,301 |
| **SHARE TRANSACTIONS** | | |
| Sale of shares | 300,049 | 490,164 |
| Shares issued from reorganization (Note 1) | - | 1,351,359 |
| Reinvestment of distributions | 82,614 | 1,522 |
| Redemption of shares | (72,861) | (39,580) |
| Increase in Shares | 309,802 | 1,803,465 |
| | | |
| (a) Undistributed net investment income. | $ 50,897 | $ 35,936 |

* Commencement of operations.

**BECK, MACK & OLIVER PARTNERS FUND**
FINANCIAL HIGHLIGHTS

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

| | For the Year Ended March 31, 2011 | December 1, 2009 (a) through March 31, 2010 |
|---|---|---|
| **NET ASSET VALUE, Beginning of Period** | $ 10.66 | $ 10.00 |
| **INVESTMENT OPERATIONS** | | |
| Net investment income (b) | 0.11 | 0.03 |
| Net realized and unrealized gain | 2.25 | 0.64 |
| Total from Investment Operations | 2.36 | 0.67 |
| **DISTRIBUTIONS TO SHAREHOLDERS FROM** | | |
| Net investment income | (0.10) | (0.01) |
| Net realized gain | (0.39) | — |
| Total Distributions to Shareholders | (0.49) | (0.01) |
| **REDEMPTION FEES (b)** | —(c) | — |
| **NET ASSET VALUE, End of Period** | $ 12.53 | $ 10.66 |
| **TOTAL RETURN** | 22.62% | 6.70%(d) |
| **RATIOS/SUPPLEMENTARY DATA** | | |
| Net Assets at End of Period (000's omitted) | $26,481 | $19,218 |
| Ratios to Average Net Assets: | | |
| Net investment income | 1.03% | 0.86%(e) |
| Net expense | 1.00% | 1.00%(e) |
| Gross expense (f) | 2.13% | 2.56%(e) |
| **PORTFOLIO TURNOVER RATE** | 49% | 17%(d) |

(a) Commencement of operations.
(b) Calculated based on average shares outstanding during the period.
(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 Beck, Mack & Oliver Global Equity Fund and Beck, Mack & Oliver Partners Fund (individually, a “Fund” and, collectively the “Funds”) are diversified and non-diversified portfolios of Forum Funds (the “Trust”), respectively. The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940 (the “Act”), as amended. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of each Fund’s shares of beneficial interest without par value. The Beck, Mack & Oliver Global Equity Fund commenced operations on December 8, 1993. The Beck, Mack & Oliver Global Equity Fund seeks capital appreciation by investing primarily in a portfolio of common stock and securities convertible into common stock. Effective June 24, 2009, the name of the Austin Global Equity Fund was changed to the Beck, Mack & Oliver Global Equity Fund. The Beck, Mack & Oliver Partners Fund commenced operations on December 1, 2009, after it acquired the net assets of the BMO Partners Fund, L.P. (the “Partnership”), in exchange for Fund shares. The Partnership commenced operations in 1991. The Beck, Mack & Oliver Partners Fund seeks long-term capital appreciation consistent with the preservation of capital.

On December 1, 2009, the Partnership reorganized into the Beck, Mack & Oliver Partners Fund. The reorganization of net assets and unrealized gain from this tax-free transaction was as follows:

| Date of Contribution | Net Assets | Shares Issued | Unrealized Gain on Investments Received from Reorganization |
|---|---|---|---|
| December 1, 2009 | $13,513,594 | 1,351,359 | $3,248,062 |

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

These financial statements are prepared in accordance with generally accepted accounting principles 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 increase and decrease in net assets from operations during the fiscal year. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of each Fund:

**Security Valuation** – Exchange-traded securities and over-the-counter securities are valued using the last quoted sale 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. 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. Forward currency contracts are generally valued at the mean of bid and asked prices for the time period interpolated from rates reported by an independent pricing service for proximate time periods. Exchange-traded options for which there were no sales reported that day are generally valued at the mean of the last bid and asked prices. Options not traded on an exchange are generally valued at broker-dealer bid quotation. Shares of open-end mutual funds are valued at net asset value ("NAV"). Short-term investments that mature in sixty days or less may be valued at amortized cost.

Each Fund values its investments at fair value pursuant to procedures adopted by the Trust's Board of Trustees (the "Board") if (1) market quotations are insufficient or not readily available or (2) the adviser believes that the values available are unreliable. 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.

Each 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 each Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 — quoted prices in active markets for identical assets

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 each Fund's own assumptions in determining the fair value of investments)

The aggregate value by input level, as of March 31, 2011, for each Fund's investments is included at the end of each 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 each 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 and discount is amortized and accreted in accordance with GAAP. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

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

Each Fund may enter into transactions to purchase or sell foreign currencies to protect the U.S. dollar value of its underlying portfolio securities against the effect of possible adverse movements in foreign exchange rates. Principal risks associated with such transactions include the movement in value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. Fluctuations in the value of such forward currency transactions are recorded daily as unrealized gain or loss; realized gain or loss includes net gain or loss on transactions that have terminated by settlement or by a fund entering into offsetting commitments. These instruments involve market risk, credit risk, or both kinds of risks, in excess of the amount recognized in the Statement of Assets and Liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

**Foreign Currency Transactions** – Each Fund may enter into transactions to purchase or sell foreign currency contracts and options on foreign currency. Forward currency contracts are agreements to exchange one currency for another at a future date and at a specified price. A fund may use forward currency contracts to facilitate transactions in foreign securities and to manage a fund's foreign currency exposure. These contracts are intrinsically valued daily based on forward rates, and a fund's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is recorded as a component of net asset value. Due to the risk associated with these transactions, a fund could incur losses up to the entire contract amount, which may exceed the net unrealized value included in its net asset value.

The volume of open currency positions may vary on a daily basis as the Beck, Mack & Oliver Global Equity Fund transacts currency contracts in order to achieve the exposure desired by the adviser. During the year ended March 31, 2011, the Beck, Mack & Oliver Global Equity Fund entered into an aggregated total notional value of $32,489,260 of forward currency contracts. Additionally, the Beck, Mack & Oliver Global Equity Fund entered into a total notional value of $186,584,234 of spot currency contracts for the year ended March 31, 2011.

As of March 31, 2011, the Beck, Mack & Oliver Global Equity Fund had the following forward currency contracts outstanding:

| Contracts to Purchase/(Sell) | | Settlement Date | Settlement Value | Net Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|
| (632,044) | Australian Dollar | 04/21/11 | $ 600,000 | $ (52,065) |
| (310,594) | Australian Dollar | 05/05/11 | 275,000 | (44,859) |
| (143,678) | Australian Dollar | 05/06/11 | 125,000 | (22,944) |
| (468,090) | Canadian Dollars | 05/09/11 | 450,000 | (32,400) |
| (519,500) | Canadian Dollars | 05/17/11 | 500,000 | (35,286) |
| (1,107,150) | Canadian Dollars | 07/21/11 | 1,100,000 | (38,910) |
| (803,280) | Canadian Dollars | 07/26/11 | 800,000 | (26,212) |
| (356,688) | Swiss Franc | 05/12/11 | 325,000 | (63,444) |
| (747,900) | Swiss Franc | 05/17/11 | 675,000 | (139,519) |
| (766,107) | European Union Euro | 05/06/11 | 1,000,000 | (84,985) |
| (312,427) | European Union Euro | 05/10/11 | 400,000 | (42,431) |
| (783,147) | European Union Euro | 05/13/11 | 1,000,000 | (108,952) |

| Contracts to Purchase/(Sell) | | Settlement Date | Settlement Value | Net Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|
| (763,994) | European Union Euro | 06/01/11 | $ 1,000,000 | $ (81,395) |
| (631,829) | European Union Euro | 08/16/11 | 850,000 | (42,650) |
| (1,724,138) | European Union Euro | 09/09/11 | 2,400,000 | (34,327) |
| (1,011,122) | European Union Euro | 09/12/11 | 1,400,000 | (27,500) |
| (153,406) | Pounds Sterling | 05/11/11 | 225,000 | (20,968) |
| 153,406 | Pounds Sterling | 05/11/11 | (241,276) | 4,692 |
| (100,476,000) | Japanese Yen | 06/10/11 | 1,200,000 | (8,487) |
| (58,891,000) | Japanese Yen | 06/17/11 | 700,000 | (8,357) |
| (87,832,500) | Japanese Yen | 08/17/11 | 1,050,000 | (7,143) |
| (1,357,080,000) | South Korean Won | 05/02/11 | 1,200,000 | (34,761) |
| 1,357,080,000 | South Korean Won | 05/02/11 | (1,204,153) | 30,608 |
| (574,770,000) | South Korean Won | 05/03/11 | 510,000 | (12,925) |
| (1,483,950,000) | South Korean Won | 05/11/11 | 1,300,000 | (49,295) |
| (638,000) | Malaysian Ringgit | 06/01/11 | 200,000 | (9,711) |
| (15,358,000) | Philippines Peso | 08/16/11 | 350,000 | (1,781) |
| 48,490,000 | New Taiwan Dollar | 08/15/11 | (1,667,469) | (12,530) |
| 23,360,000 | New Taiwan Dollar | 08/15/11 | (800,000) | (2,735) |
| (71,850,000) | New Taiwan Dollar | 08/15/11 | 2,500,000 | 47,796 |
| | | | | $ (963,476) |

**Purchased Options** – When a fund purchases an option, an amount equal to the premium paid by the fund is recorded as an investment and is subsequently adjusted to the current value of the option purchased. If an option expires on the stipulated expiration date or if the fund enters into a closing sale transaction, a gain or loss is realized. If a call option is exercised, the cost of the security acquired is increased by the premium paid for the call. If a put option is exercised, a gain or loss is realized from the sale of the underlying security, and the proceeds from such sale are decreased by the premium originally paid. Purchased options are non-income producing securities.

The values of each individual purchased option outstanding as of March 31, 2011, are disclosed in the Beck, Mack & Oliver Global Equity Fund's Schedule of Investments. The volume of open purchased option positions may vary on a daily basis as the Beck, Mack & Oliver Global Equity Fund transacts purchased options in order to achieve the exposure desired by the adviser. The Beck, Mack & Oliver Global Equity Fund entered into a total value of $55,175 on purchased options for the year ended March 31, 2011.

**Derivatives Transactions** - The Beck, Mack & Oliver Global Equity Fund's use of derivatives during the year ended March 31, 2011, was limited to forward currency contracts and purchased call options. The volume of open positions may vary on a daily basis as the Beck, Mack & Oliver Global Equity Fund transacts derivative transactions in order to achieve the exposure desired by the adviser. Following is a summary of how the derivatives are treated in the financial statements and their impact on the Beck, Mack & Oliver Global Equity Fund.

The location on the Statement of Assets and Liabilities of the Beck, Mack & Oliver Global Equity Fund's derivative positions by type of exposure, all of which are not accounted for as hedging instruments, is as follows:

| Contract Type/ Primary Risk Exposure | Location on Statement of Assets and Liabilities | Asset Derivatives | Location on Statement of Assets and Liabilities | Liability Derivatives |
|---|---|---|---|---|
| Purchased Call Options | Total investments | $ 9,444 | | $ - |
| Forward Currency Contracts | Unrealized gain on currency contracts | 83,096 | Unrealized loss on currency contracts | 1,046,572 |

Realized and unrealized gains and losses on derivatives contracts entered into during the year ended March 31, 2011, by the Beck, Mack & Oliver Global Equity Fund are recorded in the following locations in the Statement of Operations:

| Contract Type/Primary Risk Exposure | Location of Gain or (Loss) on Derivatives | Realized Gain (Loss) on Derivatives | Change in Unrealized Appreciation (Depreciation) on Derivatives |
|---|---|---|---|
| Purchased Call Options | Realized gain (loss) – Investments and Net Change in Unrealized Appreciation (Depreciation) on - Investments | $ - | $ (45,731) |
| Forward Currency Contracts | Realized gain (loss) – foreign currency transactions and Net Change in Unrealized Appreciation (Depreciation) on – foreign currency translations | (583,193) | (1,032,820) |

**Distributions to Shareholders** – Distributions to shareholders of net investment income and net capital gains, if any, are declared and paid at least annually. Distributions are based on amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by each Fund, timing differences and differing characterizations of distributions made by each Fund.

**Federal Taxes** – Each Fund intends to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute all of their taxable income to shareholders. In addition, by distributing in each calendar year substantially all their net investment income and capital gains, if any, the Funds will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required.

As of March 31, 2011, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. The Beck, Mack & Oliver Global Equity Fund's federal tax returns filed in the three-year period ended March 31, 2011, remain subject to examination by the Internal Revenue Service. The Beck, Mack & Oliver Partners Fund's federal tax returns filed in the two-year period ended March 31, 2011, remain subject to examination by the Internal Revenue Service.

**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.

**Redemption Fees** – A shareholder who redeems or exchanges shares within 60 days of purchase will incur a redemption fee of 2.00% 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 each Fund to help offset transaction costs. The fee is accounted for as an addition to paid-in capital. Each 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.

**Commitments and Contingencies** – In the normal course of business, each Fund enters into contracts that provide general indemnifications by each Fund to the counterparty to the contract. Each Fund's maximum exposure under these arrangements is dependent on future claims that may be made against each Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

**Note 3. Advisory Fees, Servicing Fees and Other Transactions**

**Investment Adviser** – Beck, Mack & Oliver LLC (the "Adviser") is the investment adviser to the Funds. Pursuant to an Investment Advisory Agreement, the Adviser receives an advisory fee at an annual rate of 1.50% and 1.00% of the average daily net assets of Beck, Mack & Oliver Global Equity Fund and Beck, Mack & Oliver Partners Fund, respectively.

**Distribution** – Foreside Fund Services, LLC serves as each Fund's distributor (the "Distributor"). The Distributor receives no compensation from the Funds for its distribution 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, and transfer agency services to each Fund. Atlantic also provides certain shareholder report production, and EDGAR conversion and filing services. Pursuant to an Atlantic services agreement, each Fund pays Atlantic customary fees for its services. Atlantic provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer, and an Anti-Money Laundering Officer to each Fund, as well as certain additional compliance support functions.

**Trustees and Officers** – The Trust pays each independent Trustee an annual retainer fee of $45,000 for service to the Trust ($66,000 for the Chairman). In addition, the Chairman receives a monthly stipend of $500 to cover certain expenses incurred in connection with his duties to the Trust. 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 each Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from each Fund.

**Note 4. Expense Reimbursement and Fees Waived**

| | Investment Adviser Waived | Fund Service Fees Waived | Total Fees Waived |
|---|---|---|---|
| Beck, Mack & Oliver Global Equity Fund | $ 629,788 | $ 4,838 | $ 634,626 |
| Beck, Mack & Oliver Partners Fund | 138,415 | 100,797 | 239,212 |

**Note 5. Security Transactions**

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments for the year ended March 31, 2011, were as follows:

| | Non-U.S. Government Obligations | | U.S.Government Obligations | |
|---|---|---|---|---|
| | **Purchases** | **Sales** | **Purchases** | **Sales** |
| Beck, Mack & Oliver Global Equity Fund | $128,922,607 | $101,628,763 | $ - | $1,534,257 |
| Beck, Mack & Oliver Partners Fund | 14,006,333 | 9,719,397 | - | - |

**Note 6. Federal Income Tax and Investment Transactions**

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

| | Ordinary Income | Long Term Capital Gain | Total |
|---|---|---|---|
| Beck, Mack & Oliver Global Equity Fund | | | |
| 2011 | $ 1,183,670 | $ - | $ 1,183,670 |
| 2010 | 152,280 | - | 152,280 |
| Beck, Mack & Oliver Partners Fund | | | |
| 2011 | 361,813 | 597,342 | 959,155 |
| 2010 | 15,673 | - | 15,673 |

As of March 31, 2011, distributable earnings (accumulated loss) on a tax basis were as follows:

| | Undistributed Ordinary Income | Undistributed Long-Term Gain | Capital and Other Losses | Unrealized Appreciation | Total |
|---|---|---|---|---|---|
| Beck, Mack & Oliver Global Equity Fund | $ 3,118,891 | $ 130,280 | $ (1,101,119) | $ 13,646,988 | $ 15,795,040 |
| Beck, Mack & Oliver Partners Fund | 281,518 | 522,278 | - | 7,259,200 | 8,062,996 |

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statements of Assets and Liabilities are primarily due to wash sales, passive foreign investment company transactions, real estate investment trusts and currency in the Beck, Mack & Oliver Global Equity Fund and wash sales and partnerships in the Beck, Mack & Oliver Partners Fund.

For tax purposes, the current year post-October loss was $1,101,119 (realized during the period November 1, 2010 through March 31, 2011) for the Beck, Mack & Oliver Global Equity Fund. This loss was recognized for tax purposes on the first business day of the Fund's next fiscal year, April 1, 2011.

On the Statements of Assets and Liabilities, as a result of permanent book to tax differences, certain amounts have been reclassified for the year ended March 31, 2011. The following reclassification was the result of currency gain/loss reclassifications, real estate investment trusts and passive foreign investment company transactions in the Beck, Mack & Oliver Global Equity Fund and partnerships in the Beck, Mack & Oliver Partners Fund and has no impact on the net assets of each Fund.

| | Accumulated Undistributed (Distributions in Excess of) Net Investment Income | Undistributed Net Realized Gain (Loss) |
|---|---|---|
| Beck, Mack & Oliver Global Equity Fund | $ 837,965 | $ (837,965) |
| Beck, Mack & Oliver Partners Fund | (993) | 993 |

**Note 7. Recent Accounting Pronouncements**

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06 "Improving Disclosures about Fair Value Measurements." ASU No. 2010-06 clarifies existing disclosure and requires additional disclosures regarding fair value measurements. Effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years, entities will need to disclose information about purchases, sales, issuances and settlements of Level 3 securities on a gross basis, rather than as a net number as currently required. Management is currently evaluating the impact ASU No. 2010-06 will have on financial statement disclosures.

In May 2011, FASB issued ASU No. 2011-04 "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." ASU No. 2011-04 establishes common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. generally accepted accounting principles ("GAAP") and International Financial Reporting Standards ("IFRSs"). ASU No. 2011-04 is effective for interim and annual periods beginning after December 15, 2011. Management is currently evaluating the impact ASU No. 2011-04 may have on financial statement disclosures.

**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 each Fund has had no such events.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Trustees of Forum Funds**
**and the Shareholders of Beck, Mack & Oliver Global Equity Fund**
**and Beck, Mack & Oliver Partners Fund**

We have audited the accompanying statements of assets and liabilities of Beck, Mack & Oliver Global Equity Fund and Beck, Mack & Oliver Partners Fund, each a series of shares of beneficial interest in the Forum Funds, including the schedules of investments, as of March 31, 2011, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the years of period in the two year period then ended, and the financial highlights for each of the years or period (Beck, Mack and Oliver Partners Fund Commenced operations on December 1, 2009) in the three year period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights for Beck, Mack & Oliver Global Equity Fund for each of the years in the two year period ended March 31, 2008 were audited by other auditors whose report dated May 28, 2008, expressed an unqualified opinion on such financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2011 by correspondence with the custodian and brokers and by other appropriate auditing procedures where responses from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Beck, Mack & Oliver Global Equity Fund and Beck, Mack & Oliver Partners Fund as of March 31, 2011, the results of their operations for the year, the changes in their net assets for each of the years or periods in the two year period then ended, and their financial highlights for each of the years or periods in the three year period then ended, in conformity with accounting principles generally accepted in the United States of America.

BBD, LLP

**BBD, LLP**

**Philadelphia, Pennsylvania**
**May 25, 2011**

**Investment Advisory Agreement Approval**

At the March 25, 2011 Board meeting, the Board, including the Independent Trustees, considered the renewal of the investment advisory agreement pertaining to the Funds (the "Advisory Agreement"). In evaluating the Advisory Agreement for the Funds, the Board reviewed materials furnished by the Adviser and the administrator, including information regarding the Adviser, its personnel, operations and financial condition.

Specifically, the Board considered, among other matters: (1) the nature, extent and quality of the services to be provided to the Funds by the Adviser, including information on the investment performance of the Adviser; (2) the costs of the services to be provided and profitability to the Adviser with respect to its relationship with the Funds; (3) the advisory fee and the total expense ratio of the Funds compared to relevant peer groups of funds; (4) the extent to which economies of scale would be realized as each Fund grows and whether the advisory fee would enable each Fund's investors to share in the benefits of economies of scale; and (5) other benefits received by the Adviser from its relationship with the Funds. In their deliberations, the Board did not identify any particular information that was all-important or controlling and may have attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

*Nature, Extent and Quality of Services*

In connection with a presentation from senior representatives of the Adviser and a discussion of the Adviser's personnel, operations and financial condition, the Board considered the quality of services provided by the Adviser under the Advisory Agreement. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at the Adviser with principal investment responsibility for the Funds' investments as well as the investment philosophy and decision-making processes of those professionals and the capability and integrity of the Adviser's senior management and staff. The Board considered the adequacy of the Adviser's resources and quality of services provided by the Adviser under the Advisory Agreement between the Trust and the Adviser.

The Board also considered the quality of the Adviser's services with respect to regulatory compliance and compliance with client investment policies and restrictions as well as the financial condition and operational stability of the Adviser. The Board noted the Adviser's representation that the firm is financially stable and able to provide investment advisory services to each Fund.

Based on the foregoing, the Board concluded that the nature, extent and quality of services provided to the Funds under the Advisory Agreement were appropriate in light of their investment objectives.

*Costs of Services and Profitability*

The Board considered information provided by the Adviser regarding its costs of services and its profitability with respect to the Funds. In this regard, the Board considered the Adviser's resources devoted to the each of the Funds as well as the Adviser's discussion of costs and profitability. Based on these and other applicable considerations, the Board concluded that the Adviser's profits attributable to management of the Funds were not excessive in light of the services provided to the Funds.

*Performance*

The Board reviewed the performance of the Funds and the Adviser's discussion of its investment philosophy. The Board noted that the Beck, Mack & Oliver Global Equity Fund outperformed its benchmark for the 1-, 3-, 5- and since inception periods. The Board also noted that the Beck, Mack & Oliver Partners Fund had underperformed its benchmark for the 3- and 5- year periods but outperformed its benchmark for the 1-year and since inception periods. Noting the Funds' asset growth and performance, the Board concluded that the each BMO Fund's performance was reasonable relative to its benchmark and that each Fund and its shareholders could benefit from the Adviser's management.

*Compensation*

The Board considered the Adviser's compensation for providing advisory services to each BMO Fund and analyzed comparative information on fee rates and total expenses of similar mutual funds. The Board noted that the Adviser's actual advisory fee rate for the Beck, Mack & Oliver Global Equity Fund was below the median fee of that Fund's Lipper Inc. peer group and that the Adviser's actual advisory fee rate for the Beck, Mack & Oliver Partners Fund was below the median fee of that Fund's Lipper Inc. peer group. The Board also noted that the Beck, Mack & Oliver Global Equity Fund's actual total expense ratio was the lower than the median of its Lipper Inc. peer group and that the Beck, Mack & Oliver Partners Fund's actual total expense ratio was the lowest of its Lipper Inc. peer group. Based on the foregoing, the Board concluded that the Adviser's advisory fee rate charged to each Fund appeared to be within a reasonable range in light of the services it provides to each Fund.

*Economies of Scale*

The Board considered whether the Funds would benefit from any economies of scale. In this respect, the Board noted the Adviser's representation that the Funds could benefit from economies of scale as assets grow, but the Adviser currently is not proposing breakpoints or changes in fees at this time. Based on the foregoing information, the Board concluded that economies of scale were not a material factor in approving the Advisory Agreement.

*Other Benefits*

The Board noted the Adviser's representation that, aside from its contractual advisory fees, it does not benefit in a material way from its relationship with the Funds other than soft-dollar research benefits. Based on the foregoing representation and the recognition that the soft dollar research obtained by the Adviser also benefits the Funds, the Board concluded that other benefits received by the Adviser from its relationship with the Funds were not a material factor to consider in approving the continuation of the Advisory Agreement.

*Conclusion*

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed a memorandum from Trust counsel discussing the legal standards applicable to its consideration of the Advisory Agreement. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its business judgment, that the advisory arrangement, as outlined in the Advisory Agreement, was fair and reasonable in light of the services performed, expenses incurred and such other matters as the Board considered relevant in the exercise of its reasonable business judgment.

**Proxy Voting Information**

A description of the policies and procedures that each Fund uses to determine how to vote proxies relating to securities held in each Fund's portfolio is available, without charge and upon request, by calling (800) 943-6786 and on the SEC's website at www.sec.gov. Each Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (800) 943-6786 and on the SEC's website at www.sec.gov.

**Availability of Quarterly Portfolio Schedules**

Each Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Each Fund's Forms N-Q 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 Funds, 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 Funds, and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of $1,000 invested at the beginning of the period and held for the entire period from October 1, 2010, through March 31, 2011.

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

Please note that 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.

| | Beginning Account Value October 1, 2010 | Ending Account Value March 31, 2011 | Expenses Paid During Period * | Annualized Expense Ratio * |
|---|---|---|---|---|
| **Beck, Mack & Oliver Global Equity Fund** | | | | |
| Actual | $ 1,000.00 | $ 1,082.73 | $ 6.49 | 1.25% |
| Hypothetical (5% return before expenses) | $ 1,000.00 | $ 1,018.70 | $ 6.29 | 1.25% |
| **Beck, Mack & Oliver Partners Fund** | | | | |
| Actual | $ 1,000.00 | $ 1,202.45 | $ 5.49 | 1.00% |
| Hypothetical (5% return before expenses) | $ 1,000.00 | $ 1,019.95 | $ 5.04 | 1.00% |

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

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

For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Beck, Mack & Oliver Global Equity Fund designates 9.43% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 48.28% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Internal Revenue Code. The Beck, Mack & Oliver Global Equity Fund also designates 53.82% as qualified interest income exempt from U.S. tax for foreign shareholders (QII). The Beck, Mack & Oliver Partners Fund designates 49.42% of its income dividend distributed as DRD and 68.01% for QDI. The Beck, Mack & Oliver Partners Fund also designates 29.85% as QII and 100.00% as short-term capital gain dividends exempt from U.S. tax for foreign shareholders (QSD). The Beck, Mack & Oliver Partners Fund paid long-term capital gain dividends of $597,342 for the tax year ended March 31, 2011.

**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, unless otherwise indicated. Each Trustee oversees twenty portfolios in the Trust. Mr. Keffer is considered an Interested Trustee due to his affiliation with Atlantic. Each Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (800) 943-6786.

| Name and Year of Birth | Position with the Trust | Length of Time Served | Principal Occupation(s) During Past Five Years |
|---|---|---|---|
| **Independent Trustees** | | | |
| J. Michael Parish<br>Born: 1943 | Chairman of the Board; Trustee; Chairman, Nominating Committee and Qualified Legal Compliance Committee | Since 1989 (Chairman since 2004) | Retired since 2003. |
| Costas Azariadis<br>Born: 1943 | Trustee; Chairman, Valuation Committee | Since 1989 | Professor of Economics, Washington University since 2006; Professor of Economics, University of California-Los Angeles 1992-2006. |
| James C. Cheng<br>Born: 1942 | Trustee; Chairman, Audit Committee | Since 1989 | President, Technology Marketing Associates (marketing company for small- and medium-sized businesses in New England) since 1991. |
| **Interested Trustee** | | | |
| John Y. Keffer[1]<br>Born: 1942 | Trustee; Vice Chairman | Since 1989 | Chairman, Atlantic since 2008; President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company chartered in the State of Maine) since 1997. |

[1] Since 1997, John Y. Keffer has been president and owner of Forum Trust, LLC. Prior to January 1, 2010, Atlantic was a wholly owned subsidiary of Forum Trust, LLC. Effective January 1, 2010, Atlantic became a wholly owned subsidiary of Forum Holdings Corp., a Delaware corporation that is wholly owned by Mr. Keffer.

| Name and Year of Birth | Position with the Trust | Length of Time Served | Principal Occupation(s) During Past Five Years |
|---|---|---|---|
| **Officers** | | | |
| Stacey E. Hong<br>Born: 1966 | President; Principal Executive Officer | Since 2008 | President, Atlantic since 2008; Director, Consulting Services, Foreside Fund Services 2007; Elder Care, 2005-2006. |
| Karen Shaw<br>Born: 1972 | Treasurer; Principal Financial Officer | Since 2008 | Senior Manager, Atlantic since 2008; Section Manager/Vice President, Enterprise Support Services, Citigroup 2003-2008. |
| David Faherty<br>Born: 1970 | Vice President | Since 2009 | Senior Counsel, Atlantic since 2009; Vice President, Citi Fund Services Ohio, Inc. 2007-2009.; Associate Counsel, Investors Bank & Trust Co. 2006-2007. |
| Michael J. McKeen<br>Born: 1971 | Vice President | Since 2009 | Senior Manager, Atlantic since 2008; Vice President, Citigroup 2003-2008. |
| Timothy Bowden<br>Born: 1969 | Vice President | Since 2009 | Manager, Atlantic since 2008; Vice President, Citigroup 2005-2008. |
| Joshua LaPan<br>Born: 1973 | Vice President | Since 2009 | Manager, Atlantic since 2008; Vice President, Citigroup 2003-2008. |
| Lina Bhatnagar<br>Born: 1971 | Secretary | Since 2008 | Senior Administration Specialist, Atlantic since 2008; Regulatory Administration Specialist, Citigroup 2006-2008. |

## FOR MORE INFORMATION

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www.beckmack.com

**Transfer Agent**
Atlantic Fund Services
P.O. Box 588
Portland, ME 04112

**Distributor**
Foreside Fund Services, LLC
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Portland, Maine 04101
www.foreside.com

**Beck, Mack & Oliver Global Equity Fund**
**Beck, Mack & Oliver Partners Fund**
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(800) 943-6786
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This report is submitted for the general information of the shareholders of the Funds. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Funds' risks, objectives, fees and expenses, experience of its management, and other information.

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