

Absolute Investment Advisers LLC

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This Brochure provides information about the qualifications and business practices of Absolute Investment Advisers LLC ("Absolute" or Adviser"). Absolute is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

This document is not an advertisement, an offer to sell or the solicitation of an offer to purchase interest in any Fund managed by Absolute.

If you have any questions about the contents of this Brochure, please contact Tony Bosch at 303.526.1252. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Absolute is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2: Material Changes

Absolute Investment Advisers LLC has updated Form ADV Part 2 (Brochure) as part of the annual amendment process. There have been no material changes to the Firm's business practices in the past year and therefore no material changes have been made to this brochure.

A copy of this Brochure may be requested by sending an email to info@absoluteadvisers.com or via the SEC web site www.adviserinfo.sec.gov. The Brochure is available free of charge.

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Item 4: Advisory Business

Absolute Investment Advisers LLC provides investment management services on a discretionary basis to two registered open end mutual funds. Not any one person of Absolute owns 25% or more voting shares of the Firm.

Absolute is the investment adviser for the Absolute Strategies Fund and the Absolute Opportunities Fund, collectively the Absolute Funds. Both Funds utilize a concentrated group of independent subadvisers who run a variety of strategies.

As of March 25, 2014 discretionary assets under management were approximately \$2.95 billion.

Item 5: Fees and Compensation

Management Fees

Absolute charges management fees based upon the average net assets of each Fund. Absolute may agree to limit or reimburse management fees to the extent required to maintain the Funds' general expenses at a specified percentage of average net assets. The fees are computed daily and payable monthly during which, or part of which, the services are rendered.

- The annual fee schedule for the Absolute Strategies Fund is 1.60%.
- The annual fee schedule for the Absolute Opportunities Fund is 2.75%. Absolute has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses to 1.95% for the period of January 1, 2014 through August 1, 2015 (excluding all taxes, interest, portfolio transaction expenses, dividend and interest expense on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses).

Both Funds are manager of managers' mutual funds. Therefore, investment management responsibilities for the Funds have been delegated to the respective subadvisers. The fees set forth above include fees paid to those subadvisers by Absolute and may vary by Fund and by subadviser. Certain subadviser fees include breakpoints at which the sub-management fee percentage charged is reduced if the assets exceed a specified amount. In addition, Absolute may negotiate additional fee breaks from the subadvisers. This may reduce the fees Absolute pays to the subadvisers.

Other Operating Expenses

The Absolute Funds may incur other operating expenses including, but not limited to, distribution and service fees, dividend and interest expenses, acquired fund fees and expenses, transaction costs, proxy expenses and extraordinary expenses. In addition, the Absolute Funds are responsible for administrative expenses, including but not limited to accounting, custody, transfer agency, compliance and legal. Investors should refer to the prospectus for more specific details regarding fees and

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expenses. Item 12 of this brochure also includes further information with respect to the broker-dealers used for Fund transactions and determining reasonableness of their compensation (e.g. commissions).

Termination

Either party may terminate management services upon sixty (60) days' advance written notice. In the event of termination, fees would be charged pro-rata based on the number of calendar days of the month during which services were provided.

Item 6: Performance-Based Fees and Side-By-Side Management

Absolute does not charge performance based fees.

Item 7: Types of Clients

Absolute provides investment management services to two registered open end mutual funds.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Absolute Strategies Fund

Principal Investment Strategies

Absolute Strategies Fund is an absolute return fund that seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low sensitivity to traditional financial market indices such as the S&P 500 Index. Absolute believes that there are important benefits that come from investing alongside skilled money managers whose strategies, when combined, seek to provide risk-adjusted returns, lower volatility and lower sensitivity to financial market indices. To this end, *Absolute* selects Subadvisers that, relative to their peers, seek to preserve capital and tend to perform differently in a market cycle.

Absolute seeks to pursue absolute returns by allocating assets among a carefully chosen group of asset managers (the "Subadvisers") who employ a wide range of specialized investment strategies. Absolute will allocate Fund assets among strategies of the Subadvisers that it believes offer the potential for attractive long term investment returns individually and are expected to blend within the Fund's portfolio so that it may demonstrate low sensitivity and low volatility relative to the broader stock and bond markets over a complete market cycle.

The Subadvisers utilize strategies and investment techniques that, in aggregate, seek to produce risk-adjusted returns and absolute returns over a full market cycle while managing risk exposure. These strategies are common hedge fund-type strategies and may attempt to exploit disparities or

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inefficiencies in markets, geographical areas, and companies; take advantage of security mispricings or anticipated price movements; and/or benefit from cyclical themes and relationships or special situations and events (such as spin-offs or reorganizations). Such strategies may have low sensitivity to traditional markets because they seek opportunities and risks that are unrelated to traditional markets.

Absolute has primary responsibility for allocating Fund assets in a manner that attempts to diversify the Fund's portfolio across multiple strategies and investment styles that we believe are complementary and, when combined, will produce enhanced risk-adjusted returns. To this end, Absolute will be responsible for selecting the Fund's subadvisers and determining the portion of the Fund's assets to be allocated to each subadviser. We review a range of factors (e.g. investment process) when evaluating each subadviser and its appropriate asset allocation. Absolute may direct a subadviser to reduce or limit its investment in certain assets or asset classes in order to achieve the desired composition of the Fund's portfolio. Absolute retains the discretion to invest the Fund's assets in securities and other instruments directly. Absolute has discretion to add, subject to board approval, or remove subadvisers at any time.

There is no assurance that the Fund will achieve its investment objective, and an investment in the Fund is not by itself a complete or balanced investment program.

Absolute Opportunities Fund

Principal Investment Strategies

Absolute will generally allocate Fund assets to a carefully chosen group of skilled money managers (the "Subadvisers") who employ a wide range of specialized investment strategies that, when combined, we believe offer the potential for attractive long-term risk adjusted investment returns. Absolute selects Subadvisers that, relative to their peers, seek to preserve capital and tend to perform differently in a market cycle. Absolute believes that there are important benefits that come from investing through skilled money managers whose strategies, when combined; seek to provide lower volatility and lower sensitivity to traditional market indices when measured over a full market cycle.

The subadvisers utilize strategies and investment techniques aimed to produce enhanced risk-adjusted returns and absolute returns over a full cycle while managing risk exposure. These strategies are common among hedge funds and certain of them may exploit disparities or inefficiencies; take advantage of security mispricings or anticipated price movements, and or benefit from cyclical themes and relationships or special situations and events (such as spinoffs or reorganizations). Such strategies may have low sensitivity to traditional markets because they seek opportunities and risks that are unrelated to traditional markets.

Absolute seeks to diversify the Fund's portfolio across multiple strategies and investment styles that we believe are complementary and, when combined, will produce enhanced risk-adjusted returns. We review a range of factors (e.g. investment process) when evaluating each subadviser and its appropriate asset allocation. Absolute may direct a subadviser to reduce or limit its investment in certain assets or asset classes in order to achieve the desired composition of the Fund's portfolio. There is no fixed or minimum allocation to any subadviser. Absolute retains the discretion to invest the Fund's assets in securities and other instruments directly and may add or remove subadvisers.

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There is no assurance that the Fund will achieve its investment objective, and an investment in the Fund is not by itself a complete or balanced investment program.

Absolute Strategies Fund and Absolute Opportunities Fund

Principal Investment Risks

An investment in either Fund is subject to a variety of risks which may be associated with the overall market condition or the specific types of investments within the Funds. Those risks include, but are not limited to : general market risk, recent market events risk, bank loans risk, convertible securities risk, credit risk, derivatives risk, distressed investments risk, emerging markets risk, equity risk, event-driven strategies risk, foreign risk, high turnover risk, interest rate risk, IPO risk, leverage risk, liquidity risk and management risk.

General Market Risk

The Funds' net asset value ("NAV") and investment return will fluctuate based upon changes in the value of portfolio securities. Investors may lose money on an investment in the Fund(s), or the Funds could underperform other investments. An investment in either Fund is not a deposit in a bank and is not insured or guaranteed by the Federated Deposit Insurance Corporation or any other government agency.

Multi-Manager Risk

The methodology by which Absolute allocates assets to the subadvisers may cause the Funds to lose money or underperform other mutual funds. Because the subadvisers each make their trading decisions independently, it is possible that subadvisers may purchase or sell the same security at the same time without aggregating their transactions. This may cause unnecessary brokerage and other expenses and the Funds may incur losses as a result.

Management Risk

The Fund's performance may deviate from overall market returns to a greater degree than other funds that do not employ an absolute return focus. Alternatively, if the Fund or Subadviser takes a defensive posture by hedging its portfolio, then stock prices advance, the return to Fund investors may be lower than expected and lower than if the portfolio had not been hedged. Due to its active management, the Fund could underperform other mutual funds with similar investment objectives.

No assurance can be given that any hedging strategy will achieve its intended result. Although the Absolute Fund's registration statement permits such hedging strategies; there is no obligation for Absolute or the subadvisers to implement such strategies.

Derivatives Risk

To manage risk, enhance return, or modify exposure, the Fund may invest in derivatives which may involve leverage. Derivatives are financial instruments that have a value that depends upon, or is derived from, a reference asset, such as one or more underlying securities, pools of securities, options, futures, indexes or currencies. The most common types of derivatives in which the Fund may invest are

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forwards, options, futures and swaps contracts. The Fund's forward contracts include forward currency contracts. The Fund's swap agreements may include equity, interest rate, index, credit default and currency rate swap agreements. The Fund's futures contracts may include futures on securities, commodities, and securities indices. The Fund's options contracts may include options on securities, securities indices, commodities and futures. The Fund may purchase or write options. The Fund may invest in derivatives to hedge (or reduce) its exposure to a portfolio asset or risk, to obtain leverage for speculative purposes or to modify (increase or decrease) net investment and/or market exposure, to manage cash and/or as a substitute for taking a position in the reference asset or to gain exposure to certain asset classes. Leverage results in the Fund controlling substantially more assets than it has equity in an effort to increase returns. The Fund may also obtain leverage by investing an amount equivalent to short sale proceeds.

Futures Contracts

Futures contracts may be used for leveraging or hedging purposes. A futures contract is a bilateral agreement where one party agrees to accept, and the other party agrees to make, delivery of cash, securities or commodities, as called for in the contract, at a specified date and at an agreed upon price. An index futures contract involves the delivery of an amount of cash equal to a specified dollar amount multiplied by the difference between the index value at the close of trading of the contract and at the price designated by the futures contract. A treasury futures contract is a bilateral agreement where one party agrees to accept and the other party agrees to make delivery of a U.S. Treasury security, as called for in the agreement at a specified date and at an agreed upon price. Treasury futures contracts are used by the Fund to manage credit risk. Generally, futures contracts are closed out or rolled over prior to their expiration date.

Swap Agreements

Swap agreements may be used for hedging or leveraging purposes. In a standard swap transaction, two parties agree to exchange the returns earned on specific assets, such as the return on, or the increase in value of, a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. A swap contract may not be assigned without the consent of the counterparty. Credit default swaps ("CDS") enable an investor to buy or sell protection against a credit event, such as an issuer's failure to make timely payments on debt securities, bankruptcy or a restructuring. CDS are structured so that the "buyer" must pay the "seller" a periodic stream of payments over the term of the CDS provided no event of default by a selected entity (or entities) has occurred. In event of a default, the seller must pay the buyer the "par value" (full notional value) of the reference obligation in exchange for the reference obligation. The Fund may act as a buyer or seller of CDS. CDS may involve greater risk than if the Fund had invested in the reference obligation directly.

Leverage Risk

Certain transactions of the Fund, such as futures contracts, swap contracts, reverse repurchase agreements, dollar rolls, loans of portfolio securities, and the use of when-issued, delayed delivery or

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forward commitment transactions, may give rise to leverage, causing the Fund to be more volatile than if it had not been leveraged.

Additional Information

Absolute may invest the Fund's assets in securities and other instruments directly. Absolute may exercise this discretion in order to invest the Fund's assets pending allocation to a Subadviser, to hedge the Fund against exposures created by the Subadvisers, or to modify the Fund's exposure to a particular investment or market-related risk. Absolute may exercise its discretion over unallocated assets to invest Fund assets directly and may reallocate to itself assets previously allocated to a Subadviser. There is no fixed or minimum allocation to any Subadviser. In the future, Absolute may add or remove Subadvisers. To manage risk or enhance return (including through leverage), the subadvisers and/or Absolute directly may invest in derivatives. Some derivatives, such as exchange-traded futures and options on securities, commodities and indexes are standardized contracts that can readily be bought or sold, and whose market values are published daily. Non-standardized derivatives, such as swaps, tend to be more complex and harder to value. The subadvisers and/or Absolute directly may invest in forwards, futures and options contracts and in equity, interest rate, index, credit default swap agreements and currency rate swap agreements. The subadvisers and/or Absolute directly may invest in futures contracts on securities, commodities, and securities indices. The subadvisers and/or Absolute directly may invest in options on securities, securities indices, commodities and futures.

A complete description of the Funds' investment strategies and risks are outlined in the prospectus and statement of additional information for each fund. We encourage all investors to review those documents in conjunction with this brochure prior to making an investment in our Funds.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Absolute or the integrity of Absolute's management. Absolute has no disciplinary information to report.

Item 10: Other Financial Industry Activities and Affiliations

Anthony R. Bosch (Chief Compliance Officer) Christian Aymond and Brian Hlidek, all Officers of Absolute Investment Advisers LLC are registered representatives of Foreside Fund Distributors, LLC, an unaffiliated broker-dealer that acts as a limited purpose distributor for the Absolute Funds.

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Item 11: Code of Ethics

Absolute has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, guidelines surrounding gifts and business entertainment items, personal securities trading procedures, conflicts of interest, among other things. All supervised persons must acknowledge the terms of the Code annually, or as amended.

The Code establishes standards and procedures for the detection and prevention of inappropriate personal securities transactions by persons having knowledge of the investments of the Absolute Funds and addresses other situations involving a potential conflict of interest.

The Code is intended to ensure that the employee conduct is in accordance with the following principles:

- 1) The duty at all times to place first the interest of Clients;
- 2) The requirement that all personal securities transactions are in compliance with the Code in order to avoid any actual or potential conflict of interest or any abuse of an individual's responsibility and position of trust;
- 3) The fundamental standard that Absolute personnel not take appropriate advantage of their positions; and
- 4) The fundamental standard that Absolute and its associated persons have a fiduciary obligation to its clients.

Generally, Absolute requires pre-clearance and reporting of covered securities and accounts for the firm's Access Persons. However, certain covered securities do not require pre-clearance but are subject to the reporting requirements. All covered security transactions are reviewed for compliance in accordance with the Code.

A copy of the Code of Ethics may be obtained by sending an email to info@absoluteadvisers.com or by phoning us at 781.740.1904.

The Adviser or the Funds may affect certain affiliated transactions, including transactions in accordance with Section 17 of the Investment Company Act of 1940.

Item 12: Brokerage Practices

Generally, the subadvisers are responsible for making all decisions with respect to Fund investments and brokerage. Absent instructions of the Adviser to the contrary, the subadvisers shall, in the name of the Funds, place orders for the execution of portfolio transactions with or through such brokers, dealers or other financial institutions as they may select. In addition, the subadvisers may exercise authority with

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respect to all other things necessary or incidental to the furtherance or conduct of such purchases, sales or other transactions, including voting of proxies with respect to securities owned by the Funds, subject to such proxy voting policies as approved by the funds' Board.

Absolute retains the discretion to invest the Funds' assets in securities and other instruments directly. We may exercise this discretion in order to invest the Funds' assets pending allocation to a subadviser, to hedge against overall fund exposures created by the subadvisers, or to increase or reduce the Absolute Funds' net market or investment exposure or exposure to a particular issuer, sector or industry, which may involve leverage. Absolute may exercise its discretion over unallocated assets or may reallocate to itself assets previously allocated to a subadviser.

Generally, Absolute may use futures, forwards and options to reduce the risk of market movements that may impact the Funds (i.e. managing exposure). The Fund may invest in derivatives to hedge (or reduce) its exposure to a portfolio asset or risk, to obtain leverage for speculative purposes, to modify the net market or investment exposure, or to manage cash and/or as a substitute for taking a position in the reference asset or to gain exposure to certain asset classes.

In placing orders for securities transactions not otherwise delegated to a subadviser, our primary consideration in executing transactions on behalf of the Funds is prompt execution of orders in an effective manner and at the most favorable priced available. To achieve best execution, we consider several factors, including but not limited to the size of the order, overall trading volume, the difficulty of execution, etc. In recognition of the value of the foregoing factors, Absolute may place portfolio transactions through a broker or dealer with whom we have negotiated a commission that is in excess of the commission another broker would have charged for effecting that transaction. Transactions are made independently with respect to each fund and are not aggregated.

Soft Dollars / Directed Brokerage

Absolute does not participate in any soft dollars or directed brokerage arrangements.

Item 13: Review of Accounts

Reviews

Absolute allocates assets to various subadvisers who exercise full discretion over any assets allocated to them. Each subadviser has implemented their own policies and procedures with respect to reviewing the funds' portfolios on an ongoing basis to determine compliance with the Funds' registration statement and applicable regulatory requirements.

Absolute, in its role as Adviser, provides additional oversight with respect to the Absolute Funds and services provided to the Absolute Funds. The Portfolio Manager monitors the portfolios on an ongoing basis, focusing on short and long range parameters of risk, performance and diversification. The Vice President of Operations and/or the Vice President of Portfolio Management review post-trade and

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compliance monitoring reports on a regular basis and maintain ongoing dialog with the subadvisers. Reviews of compliance checklists and questionnaires completed by each subadviser are also performed on a quarterly basis.

Reporting

Absolute provides quarterly reports to the Funds' trustees and/or Fund CCO. Information provided includes, but is not limited to, investment management updates from the Portfolio Manager, a brokerage summary report, general updates regarding the subadvisers and compliance updates with respect to Absolute or the subadvisers.

Item 14: *Client Referrals and Other Compensation*

Absolute may compensate financial institutions for providing marketing or client support services, including third party marketing support services, program service payments, finders fees, business planning assistance, advertising, education, providing placement on the financial institution's list of offered funds, counseling on the preparation of sales material and presentations and arranging access to sales meetings, and to sales representatives and management representatives of the Financial Institutions.

These payments are generally based on one or more of the following factors: average net assets of the Fund shares, gross or net sales of Fund shares, reimbursement of ticket charges (including fees that a dealer firm charges its representatives for effecting transactions in fund shares and payments for processing transactions via National Securities Clearing Corporations ("NSCC")) or a negotiated lump sum payment for services rendered. In addition, program servicing payments may be paid in some instances to third parties in connection with investments in the funds by retirement plans and other investment programs. Absolute may make on-time or annual payments to select financial institutions receiving program servicing payments in reimbursement of printing costs for literature for participants, account maintenance fees or fees for establishment of Absolute's mutual funds on the financial institution's system. Absolute, at its expense, may provide additional compensation to financial institutions which sell or arranges for the sale of shares of the Funds to the extent not prohibited by laws or FINRA rules. Such compensation provided by Absolute may include financial assistance to financial institutions that enable Absolute to participate in and/or present at conferences or seminars, sales or training programs for invited registered representatives and other dealer employees, dealer entertainment, and other dealer-sponsored events, and travel expenses, including lodging incurred by registered representatives and other employees in connection with prospecting retention and due diligence trips.

Absolute may, at its own expense, compensate the financial institutions in connection with the sale or expected sale of fund shares and it may sponsor various promotional activities held by the financial institutions to promote sales of the funds. Certain financial institutions may provide administrative services (such as sub-transfer agency, record-keeping or shareholder communications services) to

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investors purchasing shares of the funds through retirement plans and other investment programs. A financial institution may perform program services itself or may arrange with a third party to perform program services. In addition to participant recordkeeping, reporting, or transaction processing, program services may include services rendered in connection with fund/investment selection and monitoring, employee enrollment and education, plan balance rollover or separation, or other similar services. Absolute or the funds (if approved by the Trustees) may pay fees to these financial institutions for their services. Absolute may compensate financial institutions differently depending upon, among other factors, the level and/or type of marketing support provided by the institution. Such payments will create an incentive for the financial institutions to recommend that investors purchase fund shares.

Item 15: Custody

Absolute's clients are two open-end mutual funds. As such, Absolute does not have custody of client assets. Cash and securities are maintained by the Funds' Custodian, which has been approved by the Absolute Funds' Board.

Item 16: Investment Discretion

Absolute receives discretionary authority from its clients (Funds) pursuant to the investment management agreements. Absolute's primary role is to select subadvisers to manage the Funds' assets and to allocate assets among the selected subadvisers. Discretionary authority is transferred to the subadvisers pursuant to an investment management agreement between Absolute and each respective subadviser. In all cases, discretion is exercised in a manner consistent with the stated investment objectives for the particular client account.

Item 17: Voting Client Securities

Each subadviser is responsible for voting proxies with respect to the portfolio of securities they manage on behalf of our Funds. The subadvisers maintain documentation of all proxies/corporate action information that was received, records of how the proxies were voted, when the vote was submitted, and any other applicable details that may be needed in order to facilitate the Administrator in filing Form N-PX on behalf of the Funds.

Proxy voting is not applicable to Absolute given the type of securities we transact in (futures) on behalf of the Funds. However, we have adopted the Forum Funds' Proxy Voting Procedures should we have proxy voting responsibilities at any time in the future.

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A copy of our Proxy Voting Policy and Procedures, as well as information related to how proxies were voted may be obtained by sending an email to info@absoluteadvisers.com or by phoning us at 781.740.1904.

Item 18: Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Absolute's financial condition. Absolute has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.