BAYWOOD FUNDS

Annual Report
September 30, 2018

Advised by:
SKBA Capital Management, LLC
www.baywoodfunds.com

Dear Shareholders,

During the year ended September 30, 2018, the Baywood Value*Plus* Fund ("The Fund") meaningfully outperformed its primary benchmark. In a year that would qualify as above normal from a stock market return standpoint, we are very pleased with the way in which we accomplished our returns. We outperformed by purchasing decidedly out-of-favor securities. This gives us comfort that should markets struggle going forward, our characteristics are also capable of providing downside protection.

Sector selection accounted for approximately one third of the Fund's excess return and was driven by our decision to underweight consumer staples, telecom and utilities and overweight energy and information technology. The reason for our aversion to the former group has neither been thematic nor "macro". It has simply been based on a combination of poor fundamentals and elevated valuations, the latter had, until recently, been driven to levels not seen in decades. Paying high prices for struggling businesses is rarely a recipe for success and is not an activity we care to partake in. Our viewpoint was significantly unpopular when we first raised this issue a few years ago. As many of these companies increased in value in the face of deteriorating fundamentals, we held to our outlook despite criticism; our cautious viewpoints fell mostly on deaf ears. This, in and of itself helped confirm our belief that we were correct in our assessment. Since our last report to shareholders, perceptions have markedly changed as it has become broadly accepted that middling fundamentals within these groups did not warrant recent valuations. Given the recent valuation compression, when we now look back a few years, consumer staples, utilities, telecom and REIT's have been significant underperformers. One thing we know for certain, whether looking at this example or others, overvalued businesses rarely remain so forever. It is our job, desire and responsibility to not put our shareholders' capital (of which we count ourselves) at risk in such securities.

The continued decline in these former highflyers has rekindled our interest in selectively searching for new investment opportunities. Over the last year we have tripled our exposure to what is now defined as communications, we have increased our exposure to consumer staples by 25% and from having no exposure to real estate in the form of REIT's we are now meaningfully overweight. Utilities, on the other hand, we still don't like.

About two thirds of the strategy's excess returns resulted from security selection. Some of the largest contributors included Encompass Health (up 65%), ConocoPhillips (up 57%), Valero (up 52%), Union Pacific (up 43%), Boeing (up 34%), Tapestry (up 28%), WalMart (up 23%), and Nutrien (up 8%). In a strong market we also had a few disappointments that included Nielsen Holdings (down 41%), LBrands (down 22%), Schlumberger (down 10%) and MetLife (down 7%).

During the year a number of new securities were purchased. The common thread within these additions is that they have all performed poorly of late despite the enduring nature of their businesses. Some of them clearly have issues they need to work through—if they did not, we wouldn't be able to buy them at depressed prices!

Many of the areas we generally avoided are no longer exorbitantly priced. Within consumer staples, we eliminated Procter & Gamble yet initiated a position in Kimberly Clark which we detailed to you six months ago and reiterate in this letter. Incontinence may be inconvenient for many, but as the global population ages, it is a boon for Kimberly Clark. We are aware of input and transportation cost pressures which may continue to compress margins somewhat, an issue not unique to Kimberly Clark. Yet there is a price for everything. The company's stock is priced at levels similar to 2013 while earnings and dividends have increased between 6-7% per year. As a result, valuation has declined significantly to levels we are finding attractive. Because of its high returns on capital, it has excess funds with which to support and grow its dividend as well as to repurchase its own shares, a feat it has accomplished for years. We love "dividend aristocrats"; it's just that we prefer to pay "pauper" prices. We may be somewhat early (although we've been waiting at least five years!) however its attractive and sustainable fundamentals and financials will only make us want to purchase more should shares continue to decline. We have owned Kimberly Clark numerous times in the past, an investment which has proven to be profitable. We expect the same this time around.

In addition to Kimberly Clark, we initiated positions in Molson Coors and Mondelez. We are familiar with Molson Coors, having owned and profited from being shareholders in the past. We believe our experience this time around will be similar. Shares have declined approximately 40% over the last two years and once again offer a combination of attractive valuation and reasonably attractive fundamentals. On many metrics, the shares are more attractively valued than they were the last time we were owners. Once again, it appears that the short term consensus is clouding the company's reasonably strong "premium" fundamentals. Excess cash, an attractive attribute, is likely to be redeployed in maintaining its market share as well as to reduce debt and increase its dividend, all desirable attributes as equity investors. The forthcoming increase in the payout is not properly being considered by the investment community, a point that gives us the ability to re-purchase shares in this premium brewer at discount prices. While our exposure is recent and fairly small, should existing market conditions prevail, we are likely to increase our investment.

Mondelez was spun off of Kraft a few years ago as its international snack business. Our experience with and ownership in PepsiCo has over time informed us of the attraction of snacks relative to the food category in general. We do not want to gloss over the issues packaged foods are experiencing yet the sector in general has gone from frighteningly overvalued to generally fairly valued; this for a sector whose fundamentals are less volatile than most. Mondelez has been one of the better performing food companies; it has simply been too richly valued for our taste until recently as its earnings have grown while its shares have declined.

REIT's (Real Estate Investment Trust), another area we've avoided for years also due to valuation and fundamental concerns, became much more attractive over the last few months. In particular, for being supposedly defensive stocks, mall REIT's have not acted as such whatsoever. For years we have believed that the U.S. has been "over-malled". Based on changing consumer purchasing habits, many lower class malls have struggled for at least a decade with abysmal occupancy rates. Retail has been under the greatest assault ever with more bankruptcies than during most downturns, despite the U.S. not being in a recession. These are some of the reasons, all rational, for the decline in the prices of mall REIT's. The pendulum never stops swinging at fair value, however, and in this case as well, valuations now appear attractive for some companies with few significant tenant issues. We purchased Taubman Centers, one of the largest Class A mall owners during the period. Shares have declined for at least six years finally rendering its 4.5% dividend yield attractive based on our belief that funds from operations will be able to sustain such a payout. While the retail landscape is changing rapidly, certain high foot-traffic properties will always be more desirable to rent from than others. Taubman is one such company, though we cannot say the same for all mall operators. We also initiated a position in Weyerhaeuser, a company we've owned in the past prior to it becoming a REIT. Weyerhaeuser is heavily exposed to the housing market, which we believe will continue to improve over the next few years. At current prices, we are receiving 3.6% in dividends for the privilege of owning its shares. Weyerhaeuser belongs in the desirable and rare category of having its tangible assets increase in value over time. Even if housing and construction slow, its timberlands will only become more valuable. We are happy to be paid to wait while either outcome is realized.

We increased our exposure to communications by adding to Verizon and initiating a position in CenturyLink. Continuing on the theme of owning companies we are familiar with, CenturyLink makes it back in the portfolio after an extended hiatus; its new moniker is suggestive of a change in its business mix. CenturyLink was born of the combination of Centurytel, a former "RLEC", what used to be called Rural Local Exchange Carriers, and Level 3 Communications. During the merger completed earlier this year, shares declined by over 50%. As a result, the dividend yield at our time of purchase was in excess of 10%. Dividend yields of such a level tend to convey financial difficulties as well as a likelihood of a cut in the near future. Even though we do not think a cut is necessary, it is a possibility and included in our investment hypothesis. Such an action would not necessarily result in us eliminating the position as we have at times owned companies subsequent to a dividend cut in this strategy. We are attracted to the company's fundamentals going forward and would not be surprised should a cut occur, yet are more than pleased to collect in excess of 10% in the meantime. 10% is far above what our market expectations are in general. If we can accomplish this simply via a company's dividend, then we do not need to capture much capital appreciation to make this an outstanding investment. Most importantly, however we believe that shares are currently undervalued. The company has a number of levers at its disposal. It generates excess cash with which it plans to reduce its heavy debt burden. As it does so, interest expense will shrink and a virtuous cycle of cash flows may take place leading to accretion to common equity shareholders.

Some of our decidedly out-of-favor additions at time of purchase include Medtronic, AIG, Target, Nutrien, Johnson Controls, General Electric and DowDupont. While we don't always seek near term catalysts in order to make an investment, many of these have experienced recent changes that should improve our odds of being correct in our fair value estimations. Due to recent struggles, AIG, GE and Johnson Controls have each experienced management changes that are likely to heighten operational focus. Each owns and runs leading businesses within their respective areas and in all cases we believe that an emphasis on improving asset productivity will result in greater recognition of fair value.

Nutrien, the former Potash, effected a name change subsequent to acquiring Agrium, another fertilizer company. Fertilizers, as with many commodities, have gone through the downturn of last decade's super cycle. By definition, however, cyclical industries do experience upturns, not simply downturns. Nutrien is consolidating within its industry at what we believe to be close to the bottom of the cycle. By next year, its earning power should be significantly greater than its recently reported earnings. It is also in process of shedding non-core assets that will result in cash proceeds with which to reward shareholders. We expect much of these actions to take place at some point this year.

We exited a number of positions, many of which contributed significantly to overall returns over time. Eli Lilly, Encompass Health, Boeing, Republic Services, Stanley Black & Decker, Lyondell Basel and Packaging Corp were all in this category. We also exited positions that were not so successful and to source cash for investment alternatives. Those were Cardinal Health, Nielsen, and Qualcomm.

Our expectations going into 2018 were that market returns could be only half what they had been until recently. In the fiscal year just ended, those expectations were exceeded. We would not however change our outlook and believe that prospective return expectations should be more modest. We have positioned the portfolio in a way that expectations for our holdings are already low and likely to surprise to the upside. As active managers, we are more interested in what opportunities we may find in individual securities should market conditions change. We are just as focused on companies that we should own as we are on those we shouldn't. Nor are we fearful of heightened volatility. This state of flux, should it ever return, will create opportunities for us to purchase companies at attractive prices with excess cash to reward shareholders.

We look forward to reporting to you in another six months.

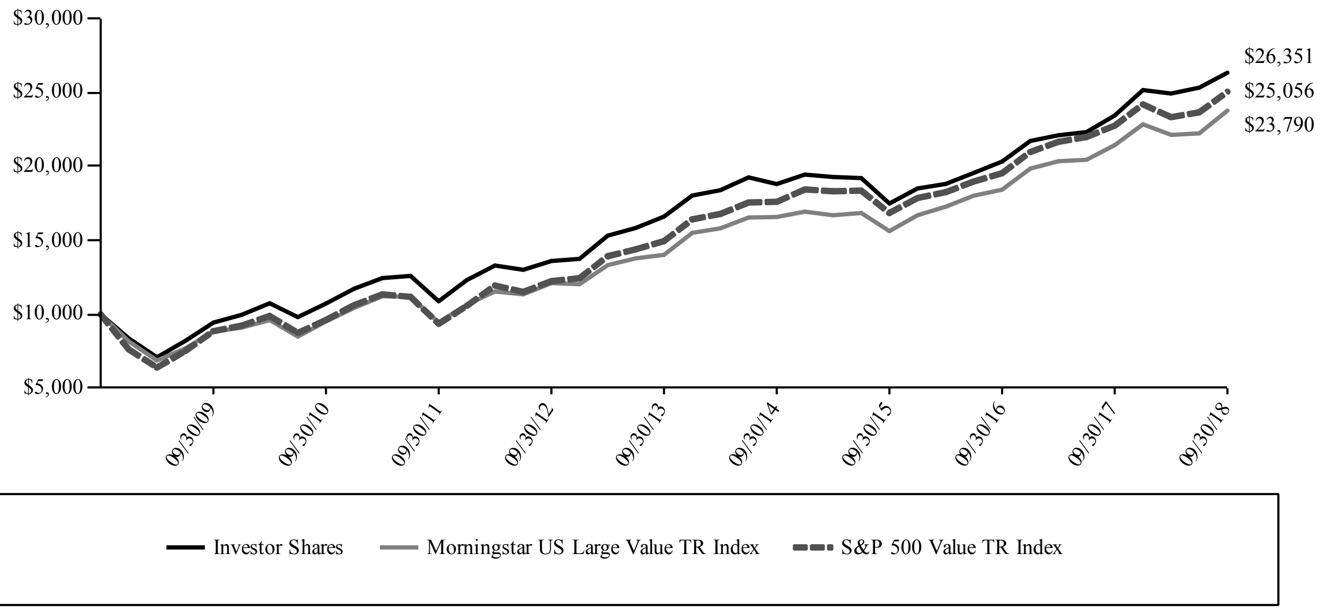
Current and future portfolio holdings are subject to change and risk.

The Morningstar category is used to compare fund performance to its peers. It is not possible to invest directly into an index or category. Past performance is no guarantee of future results.

Risk Considerations: Mutual fund investing involves risk, including the possible loss of principal. The Fund primarily invests in undervalued securities, which may not appreciate in value as anticipated by the Advisor or remain undervalued for longer than anticipated. The Fund may invest in American Depositary Receipts (ADRs), which involves risks relating to political, economic or regulatory conditions in foreign countries and may cause greater volatility and less liquidity. The Fund may also invest in convertible securities and preferred stock, which may be adversely affected as interest rates rise.

The following charts reflect the change in the value of a hypothetical $10,000 investment in Investor Shares and a hypothetical $100,000 investment in Institutional Shares, including reinvested dividends and distributions, in the Baywood Value*Plus* Fund (the "Fund") compared with the performance of the benchmarks, Morningstar US Large Value TR Index, and the secondary benchmark, S&P 500 Value TR Index (the "indices"), since inception. The Morningstar US Large Value TR Index measures the performance of large-cap stocks with relatively low prices given anticipated per share earnings, book value, cash flow, sales and dividends. The S&P 500 Value TR Index is a market capitalization weighted index. The total return of the indices include the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the indices do not include expenses. The Fund is professionally managed, while the indices are unmanaged and are not available for investment.

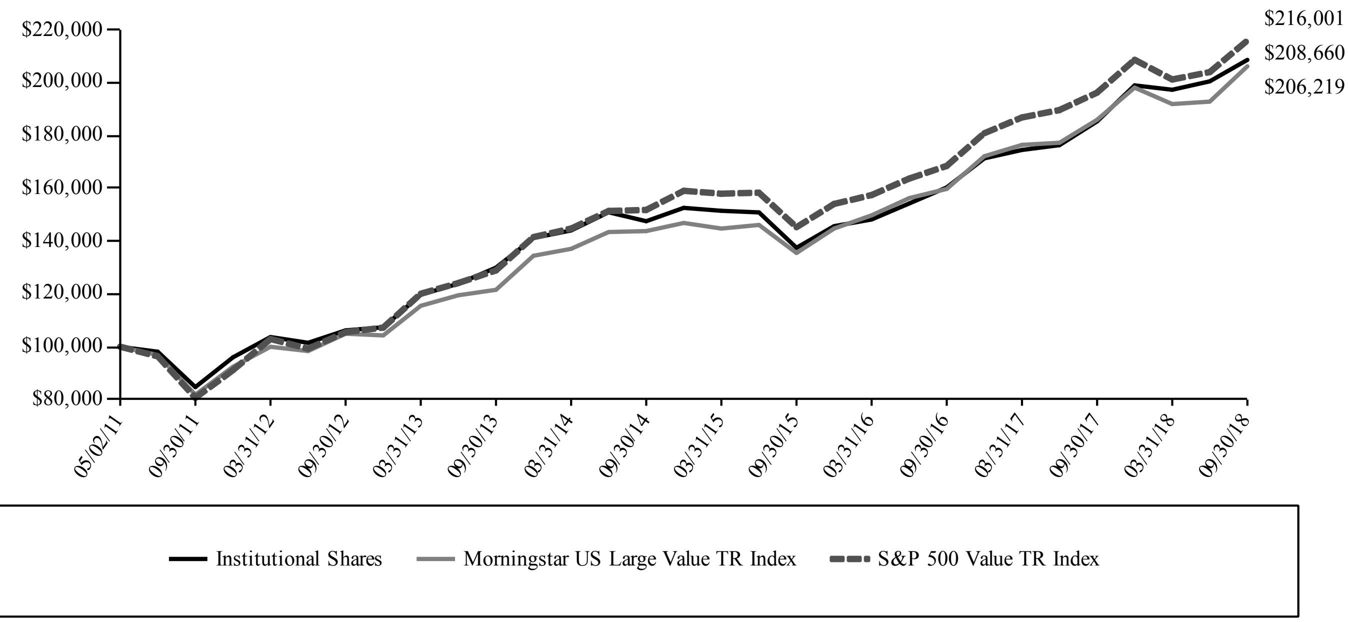
Comparison of Change in Value of a $10,000 Investment
Investor Shares vs. Morningstar US Large Value TR Index and S&P 500 Value TR Index



Average Annual Total Returns **Periods Ended September 30, 2018**	**One Year**	**Five Year**	**Ten Year**
Baywood Value*Plus* Fund Investor Shares*	12.35%	9.66%	10.17%
Morningstar US Large Value TR Index	10.89%	11.15%	9.05%
S&P 500 Value TR Index	10.06%	10.88%	9.62%

* The Fund's Investor Shares performance for periods prior to the commencement of operations (12/2/13) is that of a collective investment trust managed by the Fund's Advisor and portfolio management team. The Investor Shares of the collective investment trust commenced operations on June 27, 2008.

Comparison of Change in Value of a $100,000 Investment
Institutional Shares vs. Morningstar US Large Value TR Index and S&P 500 Value TR Index



Average Annual Total Returns Periods Ended September 30, 2018	One Year	Five Year	Since Inception (05/02/11)
Baywood Value*Plus* Fund Institutional Shares*	12.57%	9.93%	10.43%
Morningstar US Large Value TR Index	10.89%	11.15%	10.26%
S&P 500 Value TR Index	10.06%	10.88%	10.95%

* The Fund's Institutional Shares performance for periods prior to the commencement of operations (12/2/13) is that of a collective investment trust managed by the Fund's Advisor and portfolio management team. The Institutional Shares of the collective investment trust commenced operations on May 2, 2011.

Performance data quoted represents past performance and is no guarantee of future results. *Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Investor Shares and Institutional Shares are 7.67% and 11.16%, respectively. However, the Fund's advisor has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (excluding all taxes, interest, portfolio transaction expenses, acquired fund fees and expenses, proxy expenses and extraordinary expenses) to 0.95% and 0.70% for Investor Shares and Institutional Shares, respectively, through January 31, 2019 (the "Expense Cap"). The advisor may be reimbursed by the Fund for fees waived and expenses reimbursed by the advisor pursuant to the Expense Cap if such payment is approved by the Board, made within three years of the fee waiver or expense reimbursement, and does not cause the Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement to exceed the lesser of (i) the then-current expense cap, or (ii) the expense cap in place at the time the fees/expenses were waived/reimbursed. 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. For the most recent month-end performance, please call (855) 409-2297.*

Shares	Security Description		Value
Common Stock - 96.0%			
Basic Materials - 4.8%			
600	DowDuPont, Inc.	$	38,586
1,360	Nutrien, Ltd.		78,472
400	WestRock Co.		21,376
			138,434
Capital Goods / Industrials - 5.9%			
400	Cummins, Inc.		58,428
500	Eaton Corp. PLC		43,365
100	Harris Corp.		16,921
1,500	Johnson Controls International PLC		52,500
			171,214
Communication Services - 2.9%			
1,400	CenturyLink, Inc.		29,680
1,000	Verizon Communications, Inc.		53,390
			83,070
Consumer Discretionary - 4.7%			
900	L Brands, Inc.		27,270
1,100	Tapestry, Inc.		55,297
600	Target Corp.		52,926
			135,493
Consumer Staples - 8.5%			
400	Kimberly-Clark Corp.		45,456
700	Molson Coors Brewing Co., Class B		43,050
600	Mondelez International, Inc., Class A		25,776
400	PepsiCo., Inc.		44,720
900	Walmart, Inc.		84,519
			243,521
Energy - 15.5%			
900	BP PLC, ADR		41,490
600	Chevron Corp.		73,368
1,600	ConocoPhillips		123,840
300	Helmerich & Payne, Inc.		20,631
900	Occidental Petroleum Corp.		73,953
1,100	Schlumberger, Ltd.		67,012
400	Valero Energy Corp.		45,500
			445,794
Financials - 20.8%			
1,300	American International Group, Inc.		69,212
500	BB&T Corp.		24,270
600	BOK Financial Corp.		58,368
440	Chubb, Ltd.		58,802
900	FNF Group		35,415
500	JPMorgan Chase & Co.		56,420
400	M&T Bank Corp.		65,816
1,100	MetLife, Inc.		51,392
1,400	Morgan Stanley		65,198
400	Prosperity Bancshares, Inc.		27,740
1,600	U.S. Bancorp		84,496
			597,129
Health Care - 12.6%			
300	AbbVie, Inc.		28,374
300	Amgen, Inc.		62,187
800	AstraZeneca PLC, ADR		31,656
700	Gilead Sciences, Inc.		54,047
2,000	Koninklijke Philips NV, ADR		91,020
600	Medtronic PLC		59,022
800	Novo Nordisk A/S, ADR		37,712
			364,018
Real Estate - 3.1%			
900	Taubman Centers, Inc. REIT		53,847
1,100	Weyerhaeuser Co. REIT		35,497
			89,344
Technology - 14.4%			
2,500	Cisco Systems, Inc.	$	121,625
2,100	HP, Inc.		54,117
1,600	Intel Corp.		75,664
700	International Business Machines Corp.		105,847
300	Microsoft Corp.		34,311
200	Texas Instruments, Inc.		21,458
			413,022
Transportation - 1.7%			
300	Union Pacific Corp.		48,849
Utilities - 1.1%			
700	Exelon Corp.		30,562
Total Common Stock (Cost $2,254,070)			**2,760,450**

Shares	Security Description		Value
Money Market Fund - 4.1%			
119,474	Federated Government Obligations Fund, Institutional Class, 1.96% [(a)] (Cost $119,474)		119,474
Investments, at value - 100.1% (Cost $2,373,544)		**$**	**2,879,924**
Other Assets & Liabilities, Net - (0.1)%			**(3,753)**
Net Assets - 100.0%		**$**	**2,876,171**

ADR American Depositary Receipt
PLC Public Limited Company
REIT Real Estate Investment Trust
(a) Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of September 30, 2018.

The following is a summary of the inputs used to value the Fund's instruments as of September 30, 2018.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in Note 2 of the accompanying Notes to Financial Statements.

Valuation Inputs		Investments in Securities
Level 1 - Quoted Prices	$	2,760,450
Level 2 - Other Significant Observable Inputs		119,474
Level 3 - Significant Unobservable Inputs		–
Total	**$**	**2,879,924**

The Level 1 value displayed in this table is Common Stock. The Level 2 value displayed in this table is a Money Market Fund. Refer to this Schedule of Investments for a further breakout of each security by industry.

The Fund utilizes the end of period methodology when determining transfers. There were no transfers among Level 1, Level 2 and Level 3 for the year ended September 30, 2018.

PORTFOLIO HOLDINGS (Unaudited)

% of Total Investments	
Basic Materials	4.8%
Capital Goods / Industrials	6.0%
Communication Services	2.9%
Consumer Discretionary	4.7%
Consumer Staples	8.5%
Energy	15.5%
Financials	20.7%
Health Care	12.6%
Real Estate	3.1%
Technology	14.3%
Transportation	1.7%
Utilities	1.1%
Money Market Fund	4.1%
	100.0%

BAYWOOD VALUE*PLUS* FUND
STATEMENT OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2018

ASSETS		
Investments, at value (Cost $2,373,544)	$	2,879,924
Receivables:		
Fund shares sold		1,777
Dividends		5,440
From investment advisor		5,612
Prepaid expenses		11,403
Total Assets		2,904,156
LIABILITIES		
Accrued Liabilities:		
Fund services fees		4,728
Other expenses		23,257
Total Liabilities		27,985
NET ASSETS	$	2,876,171
COMPONENTS OF NET ASSETS		
Paid-in capital	$	2,255,007
Undistributed net investment income		5,683
Accumulated net realized gain		109,101
Net unrealized appreciation		506,380
NET ASSETS	$	2,876,171
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)		
Investor Shares		104,590
Institutional Shares		50,255
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE		
Investor Shares (based on net assets of $1,939,673)	$	18.55
Institutional Shares (based on net assets of $936,498)	$	18.63

BAYWOOD VALUE*PLUS* FUND
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2018

INVESTMENT INCOME		
Dividend income (Net of foreign withholding taxes of $728)	$	75,729
Total Investment Income		75,729
EXPENSES		
Investment advisor fees		13,547
Fund services fees		63,059
Transfer agent fees:		
Investor Shares		18,180
Institutional Shares		18,180
Distribution fees:		
Investor Shares		4,645
Custodian fees		5,000
Registration fees:		
Investor Shares		14,311
Institutional Shares		14,308
Professional fees		27,096
Trustees' fees and expenses		1,829
Other expenses		21,214
Total Expenses		201,369
Fees waived and expenses reimbursed		(177,757)
Net Expenses		23,612
NET INVESTMENT INCOME		52,117
NET REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain on investments		113,563
Net change in unrealized appreciation (depreciation) on investments		143,093
NET REALIZED AND UNREALIZED GAIN		256,656
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$	308,773

BAYWOOD VALUE*PLUS* FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Years Ended September 30, 2018	2017
OPERATIONS		
Net investment income	$ 52,117	$ 48,347
Net realized gain	113,563	93,135
Net change in unrealized appreciation (depreciation)	143,093	192,429
Increase in Net Assets Resulting from Operations	308,773	333,911
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income:		
Investor Shares	(31,550)	(32,969)
Institutional Shares	(16,732)	(13,855)
Net realized gain:		
Investor Shares	(51,277)	(29,530)
Institutional Shares	(22,602)	(9,288)
Total Distributions to Shareholders	(122,161)	(85,642)
CAPITAL SHARE TRANSACTIONS		
Sale of shares:		
Investor Shares	12,064	38,459
Institutional Shares	137,213	94,402
Reinvestment of distributions:		
Investor Shares	82,750	62,499
Institutional Shares	39,334	23,143
Redemption of shares:		
Investor Shares	(1,103)	(265,416)
Institutional Shares	(8,552)	(7,818)
Increase (Decrease) in Net Assets from Capital Share Transactions	261,706	(54,731)
Increase in Net Assets	448,318	193,538
NET ASSETS		
Beginning of Year	2,427,853	2,234,315
End of Year (Including line (a))	$ 2,876,171	$ 2,427,853
SHARE TRANSACTIONS		
Sale of shares:		
Investor Shares	649	2,354
Institutional Shares	7,574	5,685
Reinvestment of distributions:		
Investor Shares	4,630	3,784
Institutional Shares	2,189	1,392
Redemption of shares:		
Investor Shares	(62)	(16,185)
Institutional Shares	(474)	(474)
Increase (Decrease) in Shares	14,506	(3,444)
(a) Undistributed net investment income	$ 5,683	$ 2,112

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

	For the Year Ended September 30, 2018	For the Year Ended September 30, 2017	For the Period Ended September 30, 2016 (a)	For the Year Ended November 30, 2015	December 2, 2013 (b) Through November 30, 2014
INVESTOR SHARES					
NET ASSET VALUE, Beginning of Period	$ 17.28	$ 15.52	$ 16.90	$ 19.28	$ 17.47
INVESTMENT OPERATIONS					
Net investment income (c)	0.33	0.33	0.26	0.34	0.36
Net realized and unrealized gain (loss)	1.77	2.02	0.93	(1.06)	1.49
Total from Investment Operations	2.10	2.35	1.19	(0.72)	1.85
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.31)	(0.32)	(2.20)	(0.26)	(0.04)
Net realized gain	(0.52)	(0.27)	(0.37)	(1.40)	–
Total Distributions to Shareholders	(0.83)	(0.59)	(2.57)	(1.66)	(0.04)
NET ASSET VALUE, End of Period	$ 18.55	$ 17.28	$ 15.52	$ 16.90	$ 19.28
TOTAL RETURN	12.35%	15.32%	8.40%(d)	(3.86)%	10.59%(d)
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	$ 1,940	$ 1,717	$ 1,699	$ 1,362	$ 1,471
Ratios to Average Net Assets:					
Net investment income	1.84%	2.03%	2.07%(e)	1.97%	1.98%(e)
Net expenses	0.95%	0.95%	0.95%(e)	0.95%	0.95%(e)
Gross expenses (f)	6.79%	7.67%	9.43%(e)	5.80%	4.54%(e)
PORTFOLIO TURNOVER RATE	34%	48%	22%(d)	32%	35%(d)

(a) Effective March 24, 2016, the Fund changed its fiscal year end from November 30 to September 30. The information presented is for the period December 1, 2015 through September 30, 2016.
(b) Commencement of operations.
(c) Calculated based on average shares outstanding during each period.
(d) Not annualized.
(e) Annualized.
(f) Reflects the expense ratio excluding any waivers and/or reimbursements.

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

	For the Year Ended September 30, 2018	For the Year Ended September 30, 2017	For the Period Ended September 30, 2016 (a)	For the Year Ended November 30, 2015	December 2, 2013 (b) Through November 30, 2014
INSTITUTIONAL SHARES					
NET ASSET VALUE, Beginning of Period	$ 17.36	$ 15.59	$ 17.00	$ 19.42	$ 17.56
INVESTMENT OPERATIONS					
Net investment income (c)	0.38	0.38	0.29	0.39	0.41
Net realized and unrealized gain (loss)	1.76	2.02	0.94	(1.06)	1.50
Total from Investment Operations	2.14	2.40	1.23	(0.67)	1.91
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.35)	(0.36)	(2.27)	(0.35)	(0.05)
Net realized gain	(0.52)	(0.27)	(0.37)	(1.40)	–
Total Distributions to Shareholders	(0.87)	(0.63)	(2.64)	(1.75)	(0.05)
NET ASSET VALUE, End of Period	$ 18.63	$ 17.36	$ 15.59	$ 17.00	$ 19.42
TOTAL RETURN	12.57%	15.60%	8.65%(d)	(3.58)%	10.87%(d)
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Period (000s omitted)	$ 936	$ 711	$ 536	$ 426	$ 11,067
Ratios to Average Net Assets:					
Net investment income	2.10%	2.28%	2.30%(e)	2.23%	2.26%(e)
Net expenses	0.70%	0.70%	0.70%(e)	0.70%	0.70%(e)
Gross expenses (f)	8.83%	11.16%	14.43%(e)	2.09%	2.50%(e)
PORTFOLIO TURNOVER RATE	34%	48%	22%(d)	32%	35%(d)

(a) Effective March 24, 2016, the Fund changed its fiscal year end from November 30 to September 30. The information presented is for the period December 1, 2015 through September 30, 2016.
(b) Commencement of operations.
(c) Calculated based on average shares outstanding during each period.
(d) Not annualized.
(e) Annualized.
(f) Reflects the expense ratio excluding any waivers and/or reimbursements.

Dear Shareholder,

We are pleased to report our economic and financial market perspectives and the investment activities for the Baywood Socially*Responsible* Fund (the "Fund") for the 12 months ended September, 2018. The Fund is a mid-to-large capitalization value-oriented portfolio of stock holdings selected from a universe of stocks created through the application of inclusionary and exclusionary social screens and assessments of the ESG profile of each company. Among these stocks, we further evaluate and assess each prospective holding's valuation and fundamental business attraction to determine the current portfolio holdings. In selecting investments, we consider social criteria such as an issuer's community relations, corporate governance, employee diversity, employee relations, environmental impact and sustainability, human rights record and product safety. Using both quantitative and qualitative data, we also evaluate an issuer's involvement in specific revenue generating activities to determine whether the issuer's involvement was meaningful or incidental with respect to that activity.

SKBA's overall goal with our Socially*Responsible* strategy is always to serve the investment needs and objectives of our shareholders, and in the midst of all the changes occurring in the market, we will begin with a quick discussion on the meaning of Socially *Responsible* investing. We speak in broad terms given the varying viewpoints. Its definition is truly "in the eye of the beholder" and can often appear nebulous. In the United States, "responsible" investing is often discussed through the lens of three pillars: Environmental, Social, and Governance, or ESG. This differs from the mostly European focus on transparency and best-in-class. Through ESG investing, most portfolios exclude companies or sectors that generally violate the idea of good environmental, social or governance practices while some work to include those that exhibit positive ESG attributes.

While excluding stocks from purchase for SRI/ESG reasons can at times result in higher volatility of returns compared to the broader stock market indexes, over the last fiscal year the benefits to total portfolio return of our SR strategy have been demonstrated relative to our primary value-style benchmarks and has outperformed them by a significant margin.

We manage the strategy pragmatically, with an eye to achieving appropriate sector diversification. We applaud transparency—it is an important one of many components to our investment decision—and we are members of UNPRI, the world's largest organization to pursue transparency. We also tend to focus on ESG investing with an emphasis on the 'G' or governance. We will generally not exclude sectors from our investment universe based on ideological beliefs but do avoid some industries, such a tobacco and firearms among others, which provide an overwhelming dis-benefit to society. This is regardless of whether or not such stocks might produce periods of excess return. Such "hard" exclusionary screens continue to reflect the commonly-held desires of nearly all SRI/ESG investors. Otherwise, we seek the benefits of sector diversification even while we exclude stocks within a sector that we believe do not fit our ESG criteria.

If at any point in time we exclude a sector for a particular reason, rest assured it is likely for temporary reasons, such as our decision to not own companies in the utility sector. Certain utilities that derive their revenues from nuclear power are generally excluded in the strategy, however, that is not the only reason we currently do not own any in the portfolio. No, the secondary reason is less "noble" than the first; it's simply because we think their valuations are not reflective of the poor fundamentals that most appear to exhibit. For the year, the decision to underweight those "bond proxy" sectors is responsible for nearly half of relative returns.

As stated we still maintain the most commonly desired exclusionary screens in the strategy, yet exclusionary screens are a small part of how we manage the strategy. It is our informed opinion that companies with strong governance practices are much less likely to pursue value-destroying acts as compared to those with less than ideal governance practices. What do we mean by value-destroying? We define it as destruction of all capital, including that of both stakeholders and shareholders. The concept of a stakeholder can be far-reaching, much more so than to think that one can take all stakeholders into account for every investment decision, so we limit our definition to generally include direct stakeholders. This generally encompasses those directly affected by a company's labor practices, supply chain and positive and negative environmental impacts. The pros and cons of each are measured against each other which help inform our investment decision, though generally speaking, the most informative data we can acquire is that of a company's governance practices, because governance may tell you more about what to expect from a company than its past will. Our process is forward-looking. We only care for the past if we have reason to think it is indicative of some future result or trend. For example, if a company has poor governance practices, its board is entrenched, its CEO is the chairman and is not likely going to change in the near future then yes, its past and all its transgressions and virtues (if any) are likely to persist into the future until meaningful changes to its governance and corporate bylaws are enacted. Generally speaking however, a company's past is a relatively small input in determining the likelihood of forward looking events.

As value investors we tend to purchase companies that are out-of-favor, yet with generally predictable and strong or improving fundamentals that suggest a reversion to an in-favor status over our investment horizon. Similarly, companies we purchase from an ESG perspective can also be out-of-favor, we like to call these companies reformers. We would rather own a company on its way to meaningful positive reform than be lulled into purchasing a good perceived reputation on its way down. A short list of former "good" companies gone bad, none of which we owned at the time the negative headlines surfaced, can provide some insight into how the strategy is managed. Companies like Wells Fargo, which we owned in 2008 due to conservative lending practices yet exited in 2016 due to aggressive lending practices, Volkswagen (named best "green company" weeks before its diesel scandal hit headlines), BP, Enron, WorldCom and Valeant area a few examples. We don't profess to have the ability to avoid all bad actors in the future. However, contrary to overwhelming consensus and popular belief, none of these companies had exemplary governance practices prior the issues responsible for their downfall.

Now that we've had a chance to discuss the Socially *Responsible* aspect of the strategy, we will discuss the investments. During the period we found significant opportunities to take advantage of what we believe was a widening of our investment universe, most notably in sectors that we haven't seen many opportunities in over the last several years. Sector weights in real estate went from zero to almost 4%, communications nearly doubled from 3.5% and consumer staples increased by a third. For the most part we have avoided companies in these sectors because their high valuations were unjustified in our opinion. However, as interest rates have increased dramatically over the last year, these sectors fell out-of-favor and we have been able to selectively add what we believe are the better operators in each industry. Weyerhaeuser and Brookfield Property Partners in real estate, Verizon and Century Link in communications and Mondelez in consumer staples. Furthermore, as the retail sector continued to struggle and decline even further, we added Tapestry (formerly known as Coach and Kate Spade) to the portfolio; in short order Tapestry was one of the top performers returning over 25% compared against the benchmark's sector return of under 2%.

CenturyLink likewise has performed well returning nearly 16% compared against the benchmark's less than 4% sector return since our purchase. CenturyLink is emblematic of a company whose past may not be indicative of its future. It acquired Level 3 Communications last year and as a result its former CEO, responsible for much of the capital destroying activities of its past, was replaced by the CEO of Level 3, Jeff Storey, earlier this year. Mr. Storey is a sort of reformer himself, having transformed Level 3 from a profit-less company into a major competitor in his time as a CEO of Level 3. Now serving as the CEO of CenturyLink, we have expectations that he will do the same.

Other top contributors for the period include Discovery, Mosaic, Encompass Health, and Union Pacific; companies we have held for a longer period of time and in the case of Discovery and Mosaic our patience paid off, each returning close to 50% after an ample period of volatility in the early stages of our holdings.

In favor of the increases in the real estate, consumer staples and communications sectors we lowered our holdings in the industrial and consumer discretionary sectors. In industrials we exited successful investments in Kansas City Southern Railroad and Pentair and exited an unsuccessful investment in Nielsen as its troubles got progressively worse and the "crown jewel" watch segment appears to be at the beginning stages of a decline. In the consumer discretionary sector we exited L Brands, the parent company to Victoria Secret, Pink and Bath and Body Works after its fundamentals began to deteriorate beyond our expectations. We initially assumed a certain level of sales declines as foot traffic declines at traditional mall setting where the majority of its stores are located, however management has been slow to change its retail strategy and develop its e-commerce solutions, leading to worse-than-expected declines in sales. Unfortunately the company has begun to rely on discounts which negatively affects both profitability and its brand perception. Both Nielsen and L Brands represent some of the top detractors for the period; others includes Cabot Oil and Gas, Lithia Motors and LionsGate.

Sector allocation accounts for nearly half of the outperformance in the period where the underweight position in utilities, real estate, consumer staples and communication services sectors added over 200 basis points of outperformance and was partially offset by the underweight in energy and overweight in consumer discretionary.

We have been managing to Socially Responsible mandates for over 25 years where our goal has been to align our investment interests with the values and interests of our shareholders. It is our hope to continue to do so in the years to come.

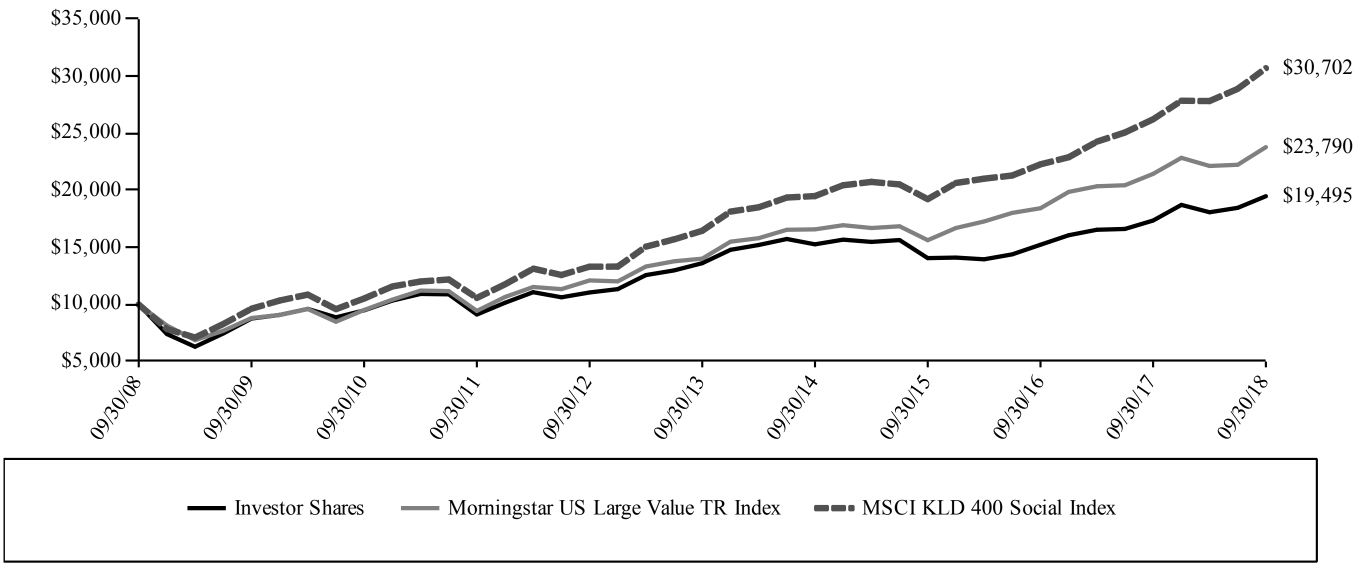
Current and future portfolio holdings are subject to change and risk.

The MSCI KLD 400 Social Index and the Morningstar Category are used to compare fund performance to its peers. It is not possible to invest directly into an index or category. Past performance is no guarantee of future results.

Risk Considerations: Mutual fund investing involves risk, including the possible loss of principal. Socially responsible investment criteria may limit the number of investment opportunities available to the Fund or it may invest a larger portion of its assets in certain sectors which could be more sensitive to market conditions, economic, regulatory and environmental developments. These factors could negatively impact the Fund's returns. The Fund primarily invests in undervalued securities, which may not appreciate in value as anticipated by the Advisor or remain undervalued for longer than anticipated. The Fund may invest in American Depositary Receipts (ADRs), which involves risks relating to political, economic or regulatory conditions in foreign countries and may cause greater volatility and less liquidity. The Fund may also invest in convertible securities and preferred stock, which may be adversely affected as interest rates rise.

The following charts reflect the change in the value of a hypothetical $10,000 investment in Investor Shares and a hypothetical $100,000 investment in Institutional Shares, including reinvested dividends and distributions, in the Baywood Socially*Responsible* Fund (the "Fund") compared with the performance of the primary benchmark, Morningstar US Large Value TR Index, and the secondary benchmark, MSCI KLD 400 Social Index (the "Indices"), over the past ten fiscal years. The Morningstar US Large Value TR Index measures the performance of large-cap stocks with relatively low prices given anticipated per share earnings, book value, cash flow, sales and dividends. The MSCI KLD 400 Social Index is a capitalization weighted index of 400 US securities that provides exposure to companies with outstanding Environmental, Social and Governance ratings and excludes companies whose products have negative social or environmental impacts. The total return of the indices include the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the indices do not include expenses. The Fund is professionally managed, while the indices are unmanaged and are not available for investment.

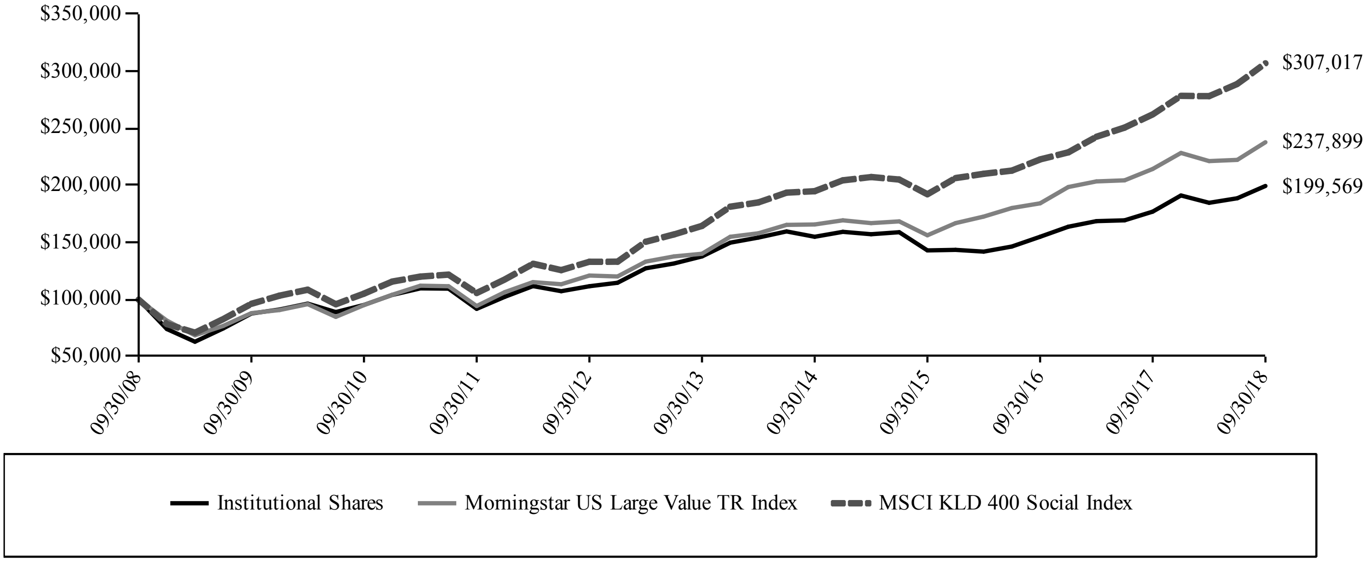
Comparison of Change in Value of a $10,000 Investment
Investor Shares vs. Morningstar US Large Value TR Index and MSCI KLD 400 Social Index



Average Annual Total Returns **Periods Ended September 30, 2018**	**One Year**	**Five Year**	**Ten Year**
Baywood Socially*Responsible* Fund Investor Shares*	12.29%	7.44%	6.90%
Morningstar US Large Value TR Index	10.89%	11.15%	9.05%
MSCI KLD 400 Social Index	17.03%	13.27%	11.87%

∗Performance for Investor Shares for periods prior to January 8, 2016, reflects the performance and expenses of City National Rochdale Socially Responsible Equity Fund, a series of City National Rochdale Funds (the "Predecessor Fund").

Comparison of Change in Value of a $100,000 Investment
Institutional Shares vs. Morningstar US Large Value TR Index and MSCI KLD 400 Social Index



Average Annual Total Returns Periods Ended September 30, 2018	**One Year**	**Five Year**	**Ten Year**
Baywood Socially*Responsible* Fund Institutional Shares*	12.66%	7.68%	7.15%
Morningstar US Large Value TR Index	10.89%	11.15%	9.05%
MSCI KLD 400 Social Index	17.03%	13.27%	11.87%

*Performance for Institutional Shares for periods prior to January 8, 2016, reflects the performance and expenses of City National Rochdale Socially Responsible Equity Fund, a series of City National Rochdale Funds (the "Predecessor Fund").

Performance data quoted represents past performance and is no guarantee of future results. *Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Investor Shares and Institutional Shares are 2.64% and 2.64%, respectively. However, the Fund's advisor has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (excluding all taxes, interest, portfolio transaction expenses, acquired fund fees and expenses, proxy expenses and extraordinary expenses) to 1.14% and 0.89% for Investor Shares and Institutional Shares, respectively, through January 31, 2019 (the "Expense Cap") (the "Expense Cap"). The advisor may be reimbursed by each Fund for fees waived and expenses reimbursed by the advisor pursuant to the Expense Cap if such payment is approved by the Board, made within three years of the fee waiver or expense reimbursement, and does not cause the Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement to exceed the lesser of (i) the then-current expense cap, or (ii) the expense cap in place at the time the fees/expenses were waived/reimbursed. 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. For the most recent month-end performance, please call (855) 409-2297.*

Shares	Security Description	Value
Common Stock - 96.5%		
Basic Materials - 5.1%		
1,900	Nutrien, Ltd.	$ 109,630
3,500	The Mosaic Co.	113,680
		223,310
Capital Goods / Industrials - 4.1%		
600	Johnson Controls International PLC	21,000
3,200	Sensata Technologies Holding PLC [(a)]	158,560
		179,560
Communication Services - 6.3%		
4,300	CenturyLink, Inc.	91,160
4,100	Discovery, Inc., Class C [(a)]	121,278
1,200	Verizon Communications, Inc.	64,068
		276,506
Consumer Discretionary - 5.3%		
1,000	AutoNation, Inc. [(a)]	41,550
1,500	Tapestry, Inc.	75,405
9,300	TRI Pointe Group, Inc. [(a)]	115,320
		232,275
Consumer Staples - 4.8%		
2,300	Mondelez International, Inc., Class A	98,808
1,000	PepsiCo., Inc.	111,800
		210,608
Energy - 6.6%		
3,100	Centennial Resource Development, Inc., Class A [(a)]	67,735
3,000	Devon Energy Corp.	119,820
1,700	Schlumberger, Ltd.	103,564
		291,119
Financials - 24.8%		
4,700	Air Lease Corp.	215,636
1,500	American Express Co.	159,735
700	American International Group, Inc.	37,268
5,800	Bank of America Corp.	170,868
1,500	BOK Financial Corp.	145,920
3,750	Brookfield Asset Management, Inc., Class A	166,987
800	M&T Bank Corp.	131,632
3,000	Radian Group, Inc.	62,010
		1,090,056
Health Care - 18.6%		
700	AbbVie, Inc.	66,206
2,000	AstraZeneca PLC, ADR	79,140
800	Becton Dickinson and Co.	208,800
700	Encompass Health Corp.	54,565
4,400	Koninklijke Philips NV, ADR	200,244
300	Laboratory Corp. of America Holdings [(a)]	52,104
1,600	Medtronic PLC	157,392
		818,451
Real Estate - 3.6%		
5,300	Brookfield Property Partners LP	110,717
1,500	Weyerhaeuser Co. REIT	48,405
		159,122
Technology - 13.2%		
3,100	Cisco Systems, Inc.	150,815
3,000	Corning, Inc.	105,900
3,400	HP, Inc.	87,618
2,500	Intel Corp.	118,225
800	International Business Machines Corp.	120,968
		583,526
Transportation - 4.1%		
9,500	AP Moller - Maersk A/S, ADR	66,738
700	Union Pacific Corp.	113,981
		180,719
Total Common Stock (Cost $3,221,819)		**4,245,252**

Shares	Security Description	Value
Money Market Fund - 3.6%		
160,237	Morgan Stanley Institutional Liquidity Funds Government Portfolio, Institutional Class, 2.01% [(b)] (Cost $160,237)	$ 160,237
Investments, at value - 100.1% (Cost $3,382,056)		**$ 4,405,489**
Other Assets & Liabilities, Net - (0.1)%		**(4,566)**
Net Assets - 100.0%		**$ 4,400,923**

ADR American Depositary Receipt
LP Limited Partnership
PLC Public Limited Company
REIT Real Estate Investment Trust
(a) Non-income producing security.
(b) Dividend yield changes daily to reflect current market conditions. Rate was the quoted yield as of September 30, 2018.

The following is a summary of the inputs used to value the Fund's instruments as of September 30, 2018.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in Note 2 of the accompanying Notes to Financial Statements.

Valuation Inputs	Investments in Securities
Level 1 - Quoted Prices	$ 4,245,252
Level 2 - Other Significant Observable Inputs	160,237
Level 3 - Significant Unobservable Inputs	–
Total	**$ 4,405,489**

The Level 1 value displayed in this table is Common Stock. The Level 2 value displayed in this table is a Money Market Fund. Refer to this Schedule of Investments for a further breakout of each security by industry.

The Fund utilizes the end of period methodology when determining transfers. There were no transfers among Level 1, Level 2 and Level 3 for the year ended September 30, 2018.

PORTFOLIO HOLDINGS (Unaudited)

% of Total Investments	
Basic Materials	5.1%
Capital Goods / Industrials	4.1%
Communication Services	6.3%
Consumer Discretionary	5.3%
Consumer Staples	4.8%
Energy	6.6%
Financials	24.7%
Health Care	18.6%
Real Estate	3.6%
Technology	13.2%
Transportation	4.1%
Money Market Fund	3.6%
	100.0%

BAYWOOD SOCIALLY*RESPONSIBLE* FUND
STATEMENT OF ASSETS AND LIABILITIES
SEPTEMBER 30, 2018

ASSETS		
Investments, at value (Cost $3,382,056)	$	4,405,489
Cash		99
Receivables:		
Fund shares sold		1,141
Dividends		8,274
From investment advisor		7,131
Prepaid expenses		7,985
Total Assets		4,430,119
LIABILITIES		
Payables:		
Fund shares redeemed		3
Accrued Liabilities:		
Fund services fees		5,083
Other expenses		24,110
Total Liabilities		29,196
NET ASSETS	$	4,400,923
COMPONENTS OF NET ASSETS		
Paid-in capital	$	3,186,881
Undistributed net investment income		1,735
Accumulated net realized gain		188,874
Net unrealized appreciation		1,023,433
NET ASSETS	$	4,400,923
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)		
Investor Shares		214,114
Institutional Shares		134,912
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE		
Investor Shares (based on net assets of $2,701,499)	$	12.62
Institutional Shares (based on net assets of $1,699,424)	$	12.60

BAYWOOD SOCIALLY*RESPONSIBLE* FUND
STATEMENT OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2018

INVESTMENT INCOME		
Dividend income (Net of foreign withholding taxes of $2,710)	$	140,887
Total Investment Income		140,887
EXPENSES		
Investment advisor fees		51,892
Fund services fees		71,942
Transfer agent fees:		
Investor Shares		18,180
Institutional Shares		18,180
Distribution fees:		
Investor Shares		6,899
Custodian fees		5,000
Registration fees:		
Investor Shares		12,246
Institutional Shares		12,246
Professional fees		27,622
Trustees' fees and expenses		2,013
Other expenses		24,561
Total Expenses		250,781
Fees waived and expenses reimbursed		(177,904)
Net Expenses		72,877
NET INVESTMENT INCOME		68,010
NET REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain on investments		890,310
Net change in unrealized appreciation (depreciation) on investments		(186,732)
NET REALIZED AND UNREALIZED GAIN		703,578
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$	771,588

	For the Years Ended September 30, 2018	2017
OPERATIONS		
Net investment income	$ 68,010	$ 85,258
Net realized gain	890,310	1,077,354
Net change in unrealized appreciation (depreciation)	(186,732)	408,585
Increase in Net Assets Resulting from Operations	771,588	1,571,197
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income:		
Investor Shares	(14,499)	(57,751)
Institutional Shares	(45,236)	(72,531)
Net realized gain:		
Investor Shares	(36,997)	–
Institutional Shares	(75,417)	–
Total Distributions to Shareholders	(172,149)	(130,282)
CAPITAL SHARE TRANSACTIONS		
Sale of shares:		
Investor Shares	48,352	451,332
Institutional Shares	190,483	285,008
Reinvestment of distributions:		
Investor Shares	48,772	56,463
Institutional Shares	120,102	72,083
Redemption of shares:		
Investor Shares	(542,020)	(8,327,460)
Institutional Shares	(4,342,445)	(1,145,359)
Decrease in Net Assets from Capital Share Transactions	(4,476,756)	(8,607,933)
Decrease in Net Assets	(3,877,317)	(7,167,018)
NET ASSETS		
Beginning of Year	8,278,240	15,445,258
End of Year (Including line (a))	$ 4,400,923	$ 8,278,240
SHARE TRANSACTIONS		
Sale of shares:		
Investor Shares	3,910	41,978
Institutional Shares	15,647	25,941
Reinvestment of distributions:		
Investor Shares	4,058	5,238
Institutional Shares	10,021	6,593
Redemption of shares:		
Investor Shares	(44,965)	(771,560)
Institutional Shares	(363,462)	(107,029)
Decrease in Shares	(374,791)	(798,839)
(a) Undistributed net investment income	$ 1,735	$ 1,691

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

	For the Years Ended September 30,				
	2018	**2017**	**2016**	**2015**	**2014**
INVESTOR SHARES					
NET ASSET VALUE, Beginning of Year	$ 11.45	$ 10.14	$ 10.16	$ 11.42	$ 12.26
INVESTMENT OPERATIONS					
Net investment income (a)	0.09	0.06	0.08	0.11	0.18
Net realized and unrealized gain (loss)	1.30	1.35	0.71	(0.98)	1.15
Total from Investment Operations	1.39	1.41	0.79	(0.87)	1.33
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.06)	(0.10)	(0.28)	(0.10)	(0.15)
Net realized gain	(0.16)	–	(0.53)	(0.29)	(2.02)
Total Distributions to Shareholders	(0.22)	(0.10)	(0.81)	(0.39)	(2.17)
NET ASSET VALUE, End of Year	$ 12.62	$ 11.45	$ 10.14	$ 10.16	$ 11.42
TOTAL RETURN	12.29%	13.98%	8.28%	(7.86)%	12.11%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	$ 2,701	$ 2,874	$ 9,890	$ 23,045	$ 26,763
Ratios to Average Net Assets:					
Net investment income	0.76%	0.60%	0.77%	0.99%	1.55%
Net expenses	1.14%	1.14%	1.28%	1.14%	1.14%
Gross expenses (b)	3.98%	2.64%	1.84%	1.37%	1.46%
PORTFOLIO TURNOVER RATE	31%	42%	57%	29%	34%

(a) Calculated based on average shares outstanding during each year.
(b) Reflects the expense ratio excluding any waivers and/or reimbursements.

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

	For the Years Ended September 30,				
	2018	**2017**	**2016**	**2015**	**2014**
INSTITUTIONAL SHARES					
NET ASSET VALUE, Beginning of Year	$ 11.43	$ 10.15	$ 10.18	$ 11.45	$ 12.28
INVESTMENT OPERATIONS					
Net investment income (a)	0.12	0.10	0.14	0.14	0.19
Net realized and unrealized gain (loss)	1.31	1.33	0.66	(0.99)	1.18
Total from Investment Operations	1.43	1.43	0.80	(0.85)	1.37
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.10)	(0.15)	(0.30)	(0.13)	(0.18)
Net realized gain	(0.16)	–	(0.53)	(0.29)	(2.02)
Total Distributions to Shareholders	(0.26)	(0.15)	(0.83)	(0.42)	(2.20)
NET ASSET VALUE, End of Year	$ 12.60	$ 11.43	$ 10.15	$ 10.18	$ 11.45
TOTAL RETURN	12.66%	14.18%	8.40%	(7.70)%	12.46%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000s omitted)	$ 1,699	$ 5,404	$ 5,555	$ 238,379	$ 172,830
Ratios to Average Net Assets:					
Net investment income	1.01%	0.92%	1.35%	1.22%	1.62%
Net expenses	0.89%	0.89%	0.89%	0.89%(c)	0.89%
Gross expenses (b)	3.03%	2.64%	1.00%	0.87%	0.96%
PORTFOLIO TURNOVER RATE	31%	42%	57%	29%	34%

(a) Calculated based on average shares outstanding during each year.
(b) Reflects the expense ratio excluding any waivers and/or reimbursements.
(c) Ratio includes waivers and previously waived investment advisory fees recovered. The impact of the recovered fees may cause a higher net expense ratio.

Note 1. Organization

Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund (individually, a "Fund" and collectively, the "Funds") are diversified portfolios of Forum Funds II (the "Trust"). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940, as amended (the "Act"). Under its Trust Instrument, the Trust is authorized to issue an unlimited number of each Fund's shares of beneficial interest without par value. The Baywood Value*Plus* Fund commenced operations on December 2, 2013, through a reorganization of a collective investment trust into the Baywood Value*Plus* Fund. The collective investment trust was previously managed by the Baywood Value*Plus* Fund's Advisor and portfolio management team. This collective investment trust was organized and commenced operations on June 27, 2008. The Baywood Value*Plus* Fund currently offers two classes of shares: Investor Shares and Institutional Shares. The Baywood Value*Plus* Fund seeks to achieve long-term capital appreciation by investing in undervalued equity securities. The Baywood Socially*Responsible* Fund commenced operations on January 3, 2005. The Baywood Socially*Responsible* Fund currently offers two classes of shares: Investor Shares and Institutional Shares. The Baywood Socially*Responsible* Fund seeks to provide long-term capital growth.

On December 7, 2015, at a special meeting of shareholders of Baywood Socially*Responsible* Fund, formerly City National Rochdale Socially *Responsible* Equity Fund, a series of City National Rochdale Funds (the "Predecessor Fund"), the shareholders approved a proposal to reorganize the Predecessor Fund into the Baywood Socially*Responsible* Fund, a newly created series of the Forum Funds II. The Predecessor Fund was sub-advised by the Fund's Advisor, SKBA Capital Management, LLC, with the same portfolio managers as Baywood Socially*Responsible* Fund. The Baywood Socially*Responsible* Fund is managed in a manner that is in all material respects equivalent to the management of the Predecessor Fund, including the investment objective, strategies, guidelines and restrictions. The primary purpose of the reorganization was to move the Predecessor Fund to a newly created series of Forum Funds II. As a result of the reorganization, the Baywood Socially*Responsible* Fund is now operating under the supervision of a different board of trustees. On January 8, 2016, the Baywood Socially*Responsible* Fund acquired all of the assets, subject to liabilities, of the Predecessor Fund. The shares of the Predecessor Fund were, in effect, exchanged on a tax-free basis for Shares of the Baywood Socially*Responsible* Fund with the same aggregate value. No commission or other transactional fees were imposed on shareholders in connection with the tax-free exchange of their shares.

Note 2. Summary of Significant Accounting Policies

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

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

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 not readily available or (2) the Advisor, as defined in Note 3, believes that the values available are unreliable. The Trust's Valuation Committee, as defined in each Fund's registration statement, performs certain functions as they relate to the administration and oversight of each Fund's valuation procedures. Under these procedures, the Valuation Committee convenes on a regular and ad hoc basis to review such investments and considers a number of factors, including valuation methodologies and significant unobservable inputs, when arriving at fair value.

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

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

GAAP has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various "inputs" used to determine the value of 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 and liabilities.

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

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

The aggregate value by input level, as of September 30, 2018, 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 determining the existence of a dividend declaration after exercising reasonable due diligence. Interest income is recorded on an accrual basis. Premium is amortized and discount is accreted using the effective interest method. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

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

Federal Taxes – Each Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as amended ("Code"), and to distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all of its net investment income and capital gains, if any, the Funds will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. Each Fund files a U.S. federal income and excise tax return as required. Each Fund's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of September 30, 2018, there are no uncertain tax positions that would require financial statement recognition, de-recognition or disclosure.

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

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

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. Each Fund has determined that none of these arrangements requires disclosure on each Fund's balance sheet.

Note 3. Fees and Expenses

Investment Advisor – SKBA Capital Management, LLC (the "Advisor") is the investment adviser to the Funds. Pursuant to an investment advisory agreement, the Advisor receives an advisory fee, payable monthly, at an annual rate of 0.50% and 0.70% of the average daily net assets of Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund, respectively.

Distribution – Foreside Fund Services, LLC serves as each Fund's distributor (the "Distributor"). The Funds have adopted a Distribution Plan (the "Plan") in accordance with Rule 12b-1 of the Act. Under the Plan, each Fund may pay the Distributor and/or any other entity as authorized by the Board a fee of up to 0.25% of each Fund's average daily net assets of Investor Shares for providing distribution and/or shareholder services to the Funds. The Distributor is not affiliated with the Advisor or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) ("Atlantic") or their affiliates.

Other Service Providers – Atlantic provides fund accounting, fund administration, compliance and transfer agency services to each Fund. The fees related to these services are included in Fund services fees within the Statements of Operations. 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 fee of $16,000 ($21,000 for the Chairman) for service to the Trust. The Independent Trustees and Chairman may receive additional fees for special Board meetings. The Independent Trustees are also reimbursed for all reasonable out-of-pocket expenses incurred in connection with their duties as Trustees, including travel and related expenses incurred in attending Board meetings. The amount of Independent Trustees' fees attributable to each Fund is disclosed in the Statements 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

The Advisor has contractually agreed to waive its fee and/or reimburse certain expenses to limit total operating expenses (excluding all taxes, interest, portfolio transaction expenses, acquired fund fees and expenses, proxy expenses and extraordinary expenses) for Investor Shares to 0.95% and Institutional Shares to 0.70% through January 31, 2019, for Baywood Value*Plus* Fund. The Advisor also has contractually agreed to waive its fees and/or reimburse certain expenses to limit total operating expenses (excluding all taxes, interest, portfolio transaction expenses, acquired fund fees and expenses, proxy expenses and extraordinary expenses) for Investor Shares to 1.14% and Institutional Shares to 0.89% through January 31, 2019, for Baywood Socially*Responsible* Fund. Other Fund service providers have voluntarily agreed to waive and reimburse a portion of their fees. These voluntary fee waivers and reimbursements may be reduced or eliminated at any time. For the year ended September 30, 2018, fees waived and expenses reimbursed were as follows:

	Investment Adviser Fees Waived	Investment Adviser Expenses Reimbursed	Other Waivers	Total Fees Waived and Expenses Reimbursed
Baywood Value*Plus* Fund	$ 13,547	$ 119,209	$ 45,001	$ 177,757
Baywood Socially*Responsible* Fund	51,892	81,012	45,000	177,904

The advisor may be reimbursed by each Fund for fees waived and expenses reimbursed by the advisor pursuant to the Expense Cap if such payment is approved by the Board, made within three years of the fee waiver or expense reimbursement, and does not cause the Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement to exceed the lesser of (i) the then-current expense cap, or (ii) the expense cap in place at the time the fees/expenses were waived/reimbursed. As of September 30, 2018, $416,135 and $363,830 in the Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund, respectively, is subject to recapture by the Advisor. Other Waivers are not eligible for recoupment.

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the year ended September 30, 2018, were as follows:

	Purchases	Sales
Baywood Value*Plus* Fund	$ 1,117,523	$ 857,481
Baywood Socially*Responsible* Fund	2,196,969	6,365,169

Note 6. Federal Income Tax

As of September 30, 2018, the cost for federal income tax purposes and the components of net unrealized appreciation (depreciation) were as follows:

	Tax Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Baywood Value*Plus* Fund	$ 2,385,050	$ 532,641	$ (37,767)	$ 494,874
Baywood Socially*Responsible* Fund	3,494,869	926,755	(16,135)	910,620

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

	Ordinary Income	Long-Term Capital Gain	Total
Baywood Value*Plus* Fund			
2018	$ 48,282	$ 73,879	$ 122,161
2017	44,476	41,166	85,642
Baywood Socially*Responsible* Fund			
2018	59,735	390,612	450,347
2017	118,852	78,869	197,721

There are amounts included in the above relating to equalization debits.

	Ordinary Income	Long-Term Capital Gain	Total
Baywood Socially*Responsible* Fund			
2018	$ -	$ 278,198	$ 278,198
2017	$ -	$ 67,439	$ 67,439

As of September 30, 2018, distributable earnings (accumulated loss) on a tax basis were as follows:

	Undistributed Ordinary Income	Undistributed Long-Term Gain	Unrealized Appreciation	Total
Baywood Value*Plus* Fund	$ 2,321	$ 123,969	$ 494,874	$ 621,164
Baywood Socially*Responsible* Fund	1,735	301,687	910,620	1,214,042

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, partnerships and equity return of capital.

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 September 30, 2018. The following reclassifications were the result of partnerships, equalization, equity return of capital, prior year adjustments for real estate investment trusts, and reclassification of income from a taxable corporate action and have no impact on the net assets of each Fund.

For the year ended September 30, 2018	Undistributed Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss)	Paid-in-Capital
Baywood Value*Plus* Fund	$ (264)	$ 264	$ –
Baywood Socially*Responsible* Fund	(8,231)	(284,049)	292,280

Note 7. Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) No. 2018-13 "Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13") which includes amendments intended to improve the effectiveness of disclosures in the notes to financial statements. For example, ASU 2018-13 includes additional disclosures regarding the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and clarifications to the narrative description of measurement uncertainty disclosures. ASU 2018-13 is effective for interim and annual periods beginning after December 15, 2019. Management is currently evaluating the impact that ASU 2018-13 will have on the Funds' financial statements and related disclosures.

In September 2018, the Securities and Exchange Commission released Final Rule 33-10532 captioned "Disclosure Update and Simplification" which is intended to amend certain disclosure requirements that have become redundant, duplicative, overlapping, outdated, or superseded, in light of other Commission disclosure requirements, GAAP, or changes in the information environment. These changes will be effective November 5, 2018. Management is currently evaluating the impact that this release will have on the Funds' financial statements and related 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.

To the Shareholders of Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund
and the Board of Trustees of Forum Funds II

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities of Baywood Value*Plus* Fund and Baywood Socially*Responsible* Fund, each a series of shares of beneficial interest in Forum Funds II (the "Funds"), including the schedules of investments, as of September 30, 2018, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years or periods presented during the period December 2, 2013 (commencement of operations) through September 30, 2018 for the Baywood Value*Plus* Fund and for each of the years in the four-year period then ended for the Baywood Socially*Responsible* Fund, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as of September 30, 2018, and the results of their operations for the year then ended, the changes in their net assets for each of the years in the two-year period then ended and their financial highlights for each of the years or periods detailed above, in conformity with accounting principles generally accepted in the United States of America. The financial highlights of the Baywood Socially*Responsible* Fund for the year ended September 30, 2014 were audited by other auditors, whose report dated November 28, 2014 expressed an unqualified opinion on those financial highlights.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of those financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2018 by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

BBD, LLP

BBD, LLP

We have served as the auditor of one or more of the Funds in the Forum Funds II since 2013.

Philadelphia, Pennsylvania

November 26, 2018

Investment Advisory Agreement Approval

At the September 13, 2018 Board meeting ("September meeting"), the Board, including the Independent Trustees, met in person and considered the approval of the continuance of the investment advisory agreement between the Advisor and the Trust pertaining to the Funds (the "Advisory Agreement"). In preparation for the September meeting, the Board was presented with a range of information to assist in its deliberations. The Board requested and reviewed written responses from the Advisor to a letter circulated on the Board's behalf concerning the Advisor's personnel, operations, financial condition, performance, and services provided to the Funds by the Advisor. During its deliberations, the Board received an oral presentation from the Advisor and discussed the materials with the Advisor, independent legal counsel to the Independent Trustees ("Independent Legal Counsel"), and, as necessary, with the Trust's administrator, Atlantic Fund Services. The Independent Trustees also met in executive session with Independent Legal Counsel while deliberating.

At the September meeting, the Board reviewed, among other matters, the topics discussed below:

Nature, Extent and Quality of Services

Based on written materials received and the presentation from personnel of the Advisor regarding the Advisor's operations, the Board considered the quality of services provided by the Advisor under the Advisory Agreement. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio manager and other personnel at the Advisor with principal responsibility for the Funds, as well as the investment philosophy and decision-making process of those professionals and the capability and integrity of the Advisor's senior management and staff.

The Board considered also the adequacy of the Advisor's resources. The Board noted the Advisor's representation that the firm is financially stable and has the operational capability and necessary staffing and experience to continue providing quality investment advisory services to the Funds. Based on the presentation and the materials provided by the Advisor in connection with the Board's consideration of the renewal of the Advisory Agreement, and other relevant considerations, the Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Fund under the Advisory Agreement.

Performance

The Board reviewed the performance of the Funds compared to their respective benchmarks and compared to independent peer groups of funds identified by Broadridge Financial Solutions, Inc. ("Broadridge") believed to have characteristics similar to those of the Funds.

The Board observed that the Value*Plus* Fund outperformed its primary benchmark index, the Morningstar US Large Value Total Return Index, for the one-, three-, five-, and 10-year periods ended June 30, 2018, and for the period since the Value*Plus* Fund's inception on June 27, 2008. The Board also observed that, based on the information provided by Broadridge, the Value*Plus* Fund outperformed the median of the Broadridge peers for the one- and three-year period ended June 30, 2018. The Board noted the Advisor's representation that it was confident in the companies held in the Value*Plus* Fund's portfolio and that the Value*Plus* Fund was well-positioned to generate positive performance going forward.

The Board observed that the Socially*Responsible* Fund had outperformed its primary benchmark index, the Morningstar US Large Value Total Return Index, for the one-year period ended June 30, 2018, and underperformed the benchmark for the three-, five-, and 10-year periods ended June 30, 2018, and for the period since the Socially*Responsible* Fund's inception on January 3, 2005. The Board observed that the Socially*Responsible* Fund performed at the median of its Broadridge peers for the one-year period ended June 30, 2018 and underperformed the median of the Broadridge peers for the three- and five-year periods ended June 30, 2018. The Board noted the Advisor's representation that the Socially*Responsible* Fund's underperformance relative to the primary benchmark and Broadridge peers over the longer term could be attributed, in part, to a large shareholder redemption that occurred prior to the Socially*Responsible* Fund's reorganization into the Trust at the beginning of 2016, which disproportionately impacted the Socially*Responsible* Fund's long-term performance. The Board also noted the Advisor's representation that the Morningstar US Large Value Total Return Index was not a perfect comparison for the Socially*Responsible* Fund's investment strategy because the benchmark did not have the same constraints of a socially responsible strategy.

Based on the foregoing and other relevant factors, the Board concluded that the Advisor's management of each Fund could benefit each Fund and their respective shareholders.

Compensation

The Board evaluated the Advisor's compensation for providing advisory services to the Funds and analyzed comparative information on actual advisory fee rates and actual total expenses of the Funds' respective Broadridge peer groups. The Board noted that the Advisor's actual advisory fee rate and actual total expense ratio for each of the Funds was less than the median of their respective Broadridge peer universe. Based on the foregoing, and other relevant considerations, the Board concluded that the Advisor's advisory fee rates charged to the Funds were reasonable.

Cost of Services and Profitability

The Board considered information provided by the Advisor regarding the costs of services and its profitability with respect to the Fund. In this regard, the Board considered the Advisor's resources devoted to the Fund, as well as the Advisor's discussion of costs and profitability. The Board noted the Advisor's representation that, as a result of the contractual expense limitation arrangement in place for the Funds, the Advisor was not earning any profit from its mutual fund operations but that the Advisor was willing to continue subsidizing the Funds in an effort to support growth initiatives. Based on these and other applicable considerations, the Board concluded that the Advisor's costs of services and profits attributable to management of the Fund were reasonable in the context of all factors considered.

Economies of Scale

The Board evaluated whether the Funds would benefit from any economies of scale. In this respect, the Board noted the Advisor's representation that economies of scale could be experienced by shareholders of the Funds upon reaching significantly higher asset levels but that, in light of the Funds' current asset levels, breakpoints in the advisory fee were not believed by the Advisor to be appropriate at this time. The Board concluded that economies of scale were not a material factor in approving the Advisory Agreement.

Other Benefits

The Board noted the Advisor's representation that, aside from its contractual advisory fees, it does not benefit in a material way from its relationship with the Funds. Based on the foregoing representation and the materials presented, the Board concluded that other benefits received by the Advisor 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 Fund 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 reasonable business judgment, that the advisory arrangement, as outlined in the Advisory Agreement, was fair and reasonable in light of the services performed or to be performed, expenses incurred or to be incurred and such other matters as the Board considered relevant.

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 (855) 409-2297 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 (855) 409-2297 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. These filings are available, without charge and upon request on the SEC's website at www.sec.gov or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

Shareholder Expense Example

As a shareholder of the fund, you incur ongoing costs, including management fees, distribution (12b-1) fees (for Investor Shares only) and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of $1,000 invested at the beginning of the period and held for the entire period from April 1, 2018 through September 30, 2018.

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

Hypothetical Example for Comparison Purposes – The second line of 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 costs 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 the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds.

	Beginning Account Value April 1, 2018	Ending Account Value September 30, 2018	Expenses Paid During Period*	Annualized Expense Ratio*
Baywood Value*Plus* Fund				
Investor Shares				
Actual	$ 1,000.00	$ 1,056.37	$ 4.90	0.95%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,020.31	$ 4.81	0.95%
Institutional Shares				
Actual	$ 1,000.00	$ 1,057.42	$ 3.61	0.70%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,021.56	$ 3.55	0.70%
Baywood Socially*Responsible* Fund				
Investor Shares				
Actual	$ 1,000.00	$ 1,078.23	$ 5.94	1.14%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,019.35	$ 5.77	1.14%
Institutional Shares				
Actual	$ 1,000.00	$ 1,079.96	$ 4.64	0.89%
Hypothetical (5% return before expenses)	$ 1,000.00	$ 1,020.61	$ 4.51	0.89%

* Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (183) divided by 365 to reflect the half-year period.

Federal Tax Status of Dividends Declared during the Fiscal Year

For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. Each Fund designates 100.00% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 100.00% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Internal Revenue Code.

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. Each Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (855) 409-2297.

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Series in Fund Complex Overseen By Trustee	Other Directorships Held By Trustee During Past Five Years
Independent Trustees					
David Tucker Born: 1958	Chairman of the Board; Trustee; Chairman, Nominating Committee and Qualified Legal Compliance Committee	Since 2013	Director, Blue Sky Experience (a charitable endeavor), since 2008; Senior Vice President & General Counsel, American Century Companies (an investment management firm), 1998-2008.	2	Trustee, Forum Funds; Trustee, Forum ETF Trust; Trustee, U.S. Global Investors Funds.
Mark D. Moyer Born: 1959	Trustee; Chairman Audit Committee	Since 2013	Chief Financial Officer, Freedom House (a NGO advocating political freedom and democracy), since 2017; independent consultant providing interim CFO services, principally to non-profit organizations, 2011-2017; Chief Financial Officer, Institute of International Education (a NGO administering international educational exchange programs), 2008-2011; Chief Financial Officer and Chief Restructuring Officer, Ziff Davis Media Inc. (an integrated media company), 2005-2008; Adjunct Professor of Accounting, Fairfield University from 2009-2012.	2	Trustee, Forum Funds; Trustee, Forum ETF Trust; Trustee, U.S. Global Investors Funds.
Jennifer Brown-Strabley Born: 1964	Trustee	Since 2013	Principal, Portland Global Advisors 1996-2010.	2	Trustee, Forum Funds; Trustee, Forum ETF Trust; Trustee, U.S. Global Investors Funds.
Interested Trustees[(1)]					
Stacey E. Hong Born: 1966	Trustee	Since 2013	President, Atlantic since 2008	2	Trustee, Forum Funds, Trustee, U.S. Global Investors Funds.
John Y. Keffer Born: 1942	Trustee	Since 2013	Chairman, Atlantic since 2008; Chairman, Forum Investment Advisors, LLC since 2011; 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.	2	Trustee Forum ETF Trust; Trustee U.S. Global Investors Funds; Director, Wintergreen Fund, Inc.

[(1)] Stacey E. Hong and John Y. Keffer are currently treated as an interested persons of the Trust, as defined in the 1940 Act, due to their affiliations with Atlantic. Atlantic and Forum Investment Advisors, LLC are subsidiaries of Forum Holdings Corp. I, 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 5 Years
Officers			
Jessica Chase Born: 1970	President; Principal Executive Officer	Since 2015	Senior Vice President, Atlantic since 2008.
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Atlantic since 2008.
Zachary Tackett Born: 1988	Vice President; Secretary and Anti-Money Laundering Compliance Officer	Since 2014	Counsel, Atlantic since 2014; Intern Associate, Coakley & Hyde, PLLC, 2010-2013.
Michael J. McKeen Born: 1971	Vice President	Since 2009	Senior Vice President, Atlantic since 2008.
Timothy Bowden Born: 1969	Vice President	Since 2009	Manager, Atlantic since 2008.
Geoffrey Ney Born: 1975	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008–2013.
Todd Proulx Born: 1978	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008–2013.
Carlyn Edgar Born: 1963	Vice President	Since 2008	Senior Vice President, Atlantic since 2008; Chief Compliance Officer, 2008-2016
Dennis Mason Born: 1967	Chief Compliance Officer	Since 2016	Fund Compliance Officer, Atlantic since 2013; Senior Specialist, Atlantic, 2011-2013; Senior Analyst, Atlantic, 2008-2011

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BAYWOOD FUNDS

FOR MORE INFORMATION:
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