
Auxier Focus Fund

Annual Report

June 30, 2007

Fund Advisor:

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AUXIER FOCUS FUND
A MESSAGE TO OUR SHAREHOLDERS
JUNE 30, 2007

Fiscal Year Performance

The Auxier Focus Fund Investor Shares finished the fiscal year ended June 30, 2007 with a gain of 21.11% versus a gain of 20.59% for the S&P 500 (“S&P”), a gain of 15.39% for the Lipper Balanced Funds Index and a gain of 5.54% for the Lipper Intermediate Investment Grade Debt Funds Index. The Fund averaged a 75% exposure to stocks throughout the year. The Fund’s cumulative performance since inception (July 9, 1999) through June 30, 2007 was 100.36% versus a 21.82 % return for the S&P. For a longer term perspective, the Fund’s 5-year and since inception (7/9/99) average annual returns were 11.46% and 9.10% vs. 10.71% and 2.50% for the S&P, respectively. *(Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than original cost. As stated in the current prospectus, the Fund’s annual operating expense ratio (gross) is 1.36%. However, the Fund’s adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expenses do not exceed 1.35% which contract is in effect until October 31, 2007. For the most recent month-end performance, please visit the Fund’s website at www.auxierasset.com. The Fund charges a 2.0% redemption fee on shares redeemed within six months of purchase.)*

Market Commentary

The global backdrop of increased merger and acquisition activity, leveraged buyouts and stock buybacks contributed to a favorable supply/demand balance for stocks in general. In the U.S., over \$432 billion of stock was retired in 2006, and \$118 billion was retired in the first quarter of 2007—up 18% from the prior year. This marked the sixth consecutive quarter where buybacks exceeded \$100 billion. S&P cash as a percentage of debt is still running at 40% - double the average level of the 1990s according to Standard & Poor’s.

The Fund benefited from a number of buyouts at premium prices, which included e Funds Corporation, HCA, Longview Fibre, Bausch & Lomb, and First Data. These returns helped to offset the generally poor performance of the bond portion of the portfolio.

According to U.S. Treasury Secretary Hank Paulson, “This is far and away the strongest global economy I’ve seen in my business lifetime.” Such strength has led to rising interest rates in many countries outside the U.S. Infrastructure buildouts in the Middle East, China, India, and other rapidly growing emerging markets continue to contribute to price pressures for metals, oil and raw materials. The fastest food/commodity inflation in many years has caught the attention of monetary authorities worldwide as household food expenditures typically exceed energy. Over the past 18 months, demand from a growing global middle class, together with legislatively mandated biofuels, has led to a 23% rise in food prices, according to the International Monetary Fund. The chairman of Nestle SA recently commented, “We are sitting on structural changes that will affect agricultural prices for a long time to come.” Food accounts for 30% of the consumer price index in China. Additionally, as food quality issues arise from imports into the U.S., added regulation should lead to further upward pressure on prices. Having lived on a farm since 1989, I have witnessed many crop cycles and see firsthand that agriculture is currently enjoying some of the best fundamentals in over 30 years.

The offset to this strong picture is the deteriorating prospects for subprime mortgages and the credit tightening that appears to be afflicting all classes of home lending. Further, the lack of discipline in subprime mortgages can be seen in the low-quality corporate bond market. In June, the spreads between high-quality and low-quality corporate bonds narrowed to 2.63 percentage points (Thomson Financial). This is one of the narrowest risk premiums in history and could mark the pinnacle in the easy money mania. Spreads recently have started to widen and the market for junk bonds has been hit with large supply from private equity deals exceeding \$200 billion on the forward calendar. Whereas the supply/demand for stocks has been favorable, the huge supply of bonds being issued, combined with a reappraisal in risk, has hurt many corporate bond investors.

Opportunities When Credit Tightens

It appears we are at an inflection point with regard to the extreme easy money conditions in the capital markets. Over 30 private equity buy-outs recently have struggled with financing. We have seen this picture before with a junk bond boom of the late 1980s. Back then, lax lending standards were characterized by the leveraged buyout (LBO) of RJR Nabisco. Payment-In-Kind ('PIK') bonds allowed the borrowing corporation to add to the principal balance if they failed to make the interest payment (similar to so-called negative amortization loans recently hot in the mortgage market). The turning point in the 1980s was United Airlines failure to secure funding for their massive LBO, sending the entire high-yield bond market into a tailspin. This ultimately contributed to the savings & loan crisis and tremendous buys in small banks that could be acquired for less than 50% of book value. Debt liquidations can lead to fire-sale prices and mouthwatering investment opportunities for the well informed and prepared. There is potential for fortunes to be made coming out of these periods of financial distress.

As credit standards tighten and accumulated debt unwinds, attention should refocus on companies that are self-funding. Enduring companies with strong balance sheets have been underappreciated and should gain favor as greed is replaced with fear and despair. Speculative activity tends to give way to more sober fundamental analysis and a refocus on cash flow, not asset appreciation. Just as easy money favors the more aggressive smaller companies in the market, tighter money can benefit attractively priced blue chip stocks as survival attributes become more important. We are currently finding value in the largest 100 companies both in the U.S. and Europe. Price/earnings ratios are, in many cases, 30% to 40% cheaper compared to smaller companies. These quality blue chip stocks typically sell for 13 times earnings, which equates to an 8% earnings yield.* This compares favorably to the current 5% yield on a 10-year US Treasury Bond. Yet they may have high returns on invested capital, high free-cash flow yields and leverage into fast growing emerging markets. We feel companies with nominal mandatory capital spending requirements are ideal as they have greater flexibility when credit tightens and inflation pushes higher.

We have also found attractive opportunities in foreign telecom issues that often enjoy relatively stable cash flows and dominant market positions. More than 42 countries have only one such carrier.

As long-term investors seeking great buys, we welcome a tighter credit environment to allocate capital. It provides a better backdrop to find bargains as volatility tends to increase, as do the chances for fear and panic, leading to material misappraisals. Far too much money has been allocated to housing, where inventories currently sit at 15-year highs. (Note that from 1890 to 1990 the average annual return on housing, adjusted for inflation, was a big fat zero) (Case-Shiller Index). Another concern is financial engineering utilizing creative ways to apply and hide leverage in order to enhance returns. Market drops of 10% (every year) to 20% (every four years) are a normal and healthy occurrence. Free markets tend to be relatively virtuous. Over time they purge greed, arrogance and self-indulgence, rewarding the humility and rational approach we steadfastly strive to maintain.

Your trust and support is appreciated.

Jeff Auxier

AUXIER FOCUS FUND
A MESSAGE TO OUR SHAREHOLDERS
JUNE 30, 2007

** Earnings yield is the inverse of the P/E of 13. The yields are not a reflection of Fund performance. Past performance is not an indicator of future results. Price/earnings ratio is the value of a company's stock price relative to company earnings.*

The views in this report were those of the Fund manager as of June 30, 2007 and may not reflect his views on the date this report is first published or anytime thereafter. These views are intended to assist shareholders in understanding their investments in the Fund and do not constitute investment advice.

The Lipper Balanced Fund Index tracks funds whose primary objective is to conserve principal by maintaining, at all times, a balanced portfolio of both stocks and bonds. Typically, the stock/bond ratio ranges around 60%/40%. The Lipper Intermediate Investment Grade Debt Funds Index tracks the results of the 30 largest mutual funds in the Lipper Intermediate Investment Grade Debt Funds category. Lipper is an independent mutual fund research and ranking service. One cannot invest directly in an index.

As a non-diversified fund, the Fund will be subject to substantially more investment risk and potential for volatility than a diversified fund because its portfolio may at times focus on a limited number of companies. Moreover, if the Fund's portfolio is overweighted in a sector, any negative development affecting that sector will have a greater impact on the Fund than a fund that is not overweighted in that sector. Performance shown is for the Fund's Investor shares; returns for other share classes will vary.

AUXIER FOCUS FUND
PERFORMANCE CHART AND ANALYSIS
JUNE 30, 2007

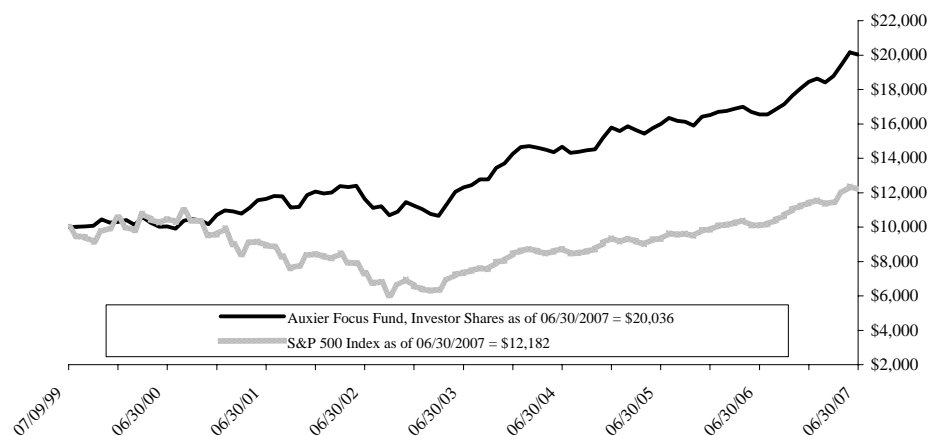
COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT

The following chart reflects the change in value, since Auxier Focus Fund's (the "Fund") inception, of a hypothetical \$10,000 investment, including reinvested dividends and distributions compared with a broad-based securities market index. The S&P 500^(R) Index ("S&P") is a market weighted index composed of 500 large capitalization companies and reflects the reinvestment of dividends. The Fund is professionally managed while the S&P is unmanaged and is not available for investment. The total return of the Fund's classes includes the maximum sales charge of 5.75% (A shares only), the maximum contingent deferred sales charge ("CDSC") of 1.00% (C shares only) and operating expenses that reduce returns while the total return of the S&P does not include the effect of sales charges and expenses. A shares are subject to a 1.00% CDSC on shares purchased without an initial sales charge and redeemed less than one year after purchase. The performance of each class will differ due to different sales charges and expense structures. During the performance period shown, certain Fund fees were waived or expenses reimbursed; otherwise, total return would have been lower, for all share classes.

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please visit the website of the Fund's investment adviser at www.auxierasset.com. Returns greater than one year are annualized. All Fund share classes charge a 2.0% redemption fee on shares redeemed within six months of purchase. As stated in the Fund's prospectus, the annual operating expense ratio (gross) for the previous fiscal year for Investor Shares, A Shares, and C Shares were 1.36%, 1.61% and 2.36%, respectively. However, the Fund's adviser has agreed to contractually waive a portion of its fees and to reimburse expenses such that total operating expenses do not exceed 1.35%, 1.35%, and 2.10% for Investor Shares, A Shares, and C Shares which is in effect until October 31, 2007. The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Performance for Investor shares for periods prior to December 10, 2004 reflects performance of Auxier Focus Fund, a series of Unified Series Trust (the "Predecessor Fund"). Prior to January 3, 2003, the Predecessor Fund was a series of Ameriprime Funds. The performance of Investor shares for the period prior to December 10, 2004 reflects the expenses of the Predecessor Fund.

Average Annual Total Return as of 06/30/2007	1 Year	5 Years	Since Inception ⁽¹⁾
Investor Shares	21.11%	11.46%	9.10%
A Shares (with sales charge) ⁽²⁾	14.13%	N/A	8.16%
C Shares (with sales charge)	19.18%	N/A	11.90%



(1) Investor, A and C shares commenced operations on July 9, 1999, July 8, 2005, and August 26, 2005, respectively.

(2) Due to shareholder redemptions on August 21, 2005 net assets of the class were zero from the close of business on that date until September 22, 2005. Financial information presented for the period August 21, 2005 to September 22, 2005 reflects performance of Investor shares of the Fund. Investor shares has the same net expense ratio as the A shares.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2007

<u>Shares</u>	<u>Security Description</u>		<u>Value</u>
Common Stocks 84.0%			
Consumer Discretionary 7.6%			
4,000	Costco Wholesale Corp.	\$	234,080
36,500	CVS Caremark Corp.		1,330,425
18,700	D.R. Horton, Inc.		372,691
25,100	Family Dollar Stores, Inc.		861,432
18,250	Home Depot, Inc.		718,138
28,000	Lowe's Cos., Inc.		859,320
5,000	McDonald's Corp.		253,800
23,100	Nike, Inc., Class B		1,346,499
1,500	Office Depot, Inc. (a)		45,450
15,250	Sally Beauty Holdings, Inc. (a)		137,250
7,400	Signet Group, plc, ADR		156,732
49,250	Wal-Mart Stores, Inc.		2,369,417
8,600	Yum! Brands, Inc.		281,392
			8,966,626
Consumer Staples 33.1%			
9,250	Alberto-Culver Co.		219,410
317,000	Alliance One International, Inc. (a)		3,185,850
28,350	Altria Group, Inc.		1,988,469
8,750	Amgen, Inc. (a)		483,788
22,850	Anheuser-Busch Cos., Inc.		1,191,856
28,304	Apollo Group, Inc. (a)		1,653,803
14,500	Avon Products, Inc.		532,875
15,150	Bausch & Lomb, Inc.		1,052,016
137,313	BioScrip, Inc. (a)		659,102
9,871	Boston Scientific Corp. (a)		151,421
14,950	Career Education Corp. (a)		504,862
60,050	Coca-Cola Co.		3,141,215
10,349	Coventry Health Care, Inc. (a)		596,620
16,800	Diageo, PLC, ADR		1,399,608
15,810	Express Scripts, Inc. (a)		790,658
8,000	FirstService Corp. (a)		288,160
12,850	GlaxoSmithKline, plc ADR		672,954
47,500	H&R Block, Inc.		1,110,075
111,400	Health Management Associates, Inc.		1,265,504
7,600	Helen of Troy, Ltd. (a)		205,200
10,600	ITT Educational Services, Inc. (a)		1,244,228
12,150	Johnson & Johnson		748,683

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2007

<u>Shares</u>	<u>Security Description</u>		<u>Value</u>
30,618	Kraft Foods, Inc.	\$	1,079,284
17,070	LifePoint Hospitals, Inc. (a)		660,268
74,781	Lincoln Educational Services Corp. (a)		1,111,246
28,150	MAXIMUS, Inc.		1,221,147
11,850	Merck & Co., Inc.		590,130
8,760	National Beverage Corp.		100,828
2,000	Nestle SA ADR		190,111
43,000	Pfizer, Inc.		1,099,510
29,100	Quest Diagnostics, Inc.		1,503,015
11,450	Safeway, Inc.		389,644
9,000	Unilever NV ADR		279,180
25,900	UnitedHealth Group, Inc.		1,324,526
16,000	Universal Technical Institute, Inc. (a)		406,240
13,100	UST, Inc.		703,601
5,000	WD-40 Co.		164,350
3,450	Weight Watchers International, Inc.		175,398
16,000	WellPoint, Inc. (a)		1,277,280
93,270	Western Union Co.		1,942,814
13,650	Wyeth		782,691
8,450	Zimmer Holdings, Inc. (a)		717,320
			38,804,940
Energy 2.3%			
16,750	Chevron Corp.		1,411,020
5,000	ConocoPhillips		392,500
7,613	El Paso Corp.		131,172
1,200	Gazpromneft, ADR		24,300
800	LUKOIL, ADR		61,360
500	PetroChina Co., Ltd., ADR		74,340
1,950	Petroleo Brasileiro SA, ADR		236,476
3,475	Spectra Energy Corp.		90,211
550	Surgutneftegaz, ADR		30,113
8,800	Willbros Group, Inc. (a)		261,184
			2,712,676
Financials 19.3%			
3,200	American Express Co.		195,776
28,550	American International Group, Inc.		1,999,356
1,280	Ameriprise Financial, Inc.		81,370
11,050	AON Corp.		470,840
9,950	Assurant, Inc.		586,254
34,583	Bank of America Corp.		1,690,763

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2007

<u>Shares</u>	<u>Security Description</u>		<u>Value</u>
502	Berkshire Hathaway, Inc., Class B (a)	\$	1,809,710
3,125	Cascade Financial Corp.		49,469
47,393	Citigroup, Inc.		2,430,787
5,450	Federal Home Loan Mortgage Corp.		330,815
5,544	JPMorgan Chase & Co.		268,607
95,900	Marsh & McLennan Cos., Inc.		2,961,392
5,000	Morgan Stanley		419,400
12,500	Old Republic International Corp.		265,750
12,000	Plum Creek Timber Co., Inc. REIT		499,920
6,850	Progressive Corp.		163,921
2,600	Student Loan Corp.		530,140
65,668	Travelers Cos., Inc.		3,513,238
83,766	Unum Group		2,187,130
51,850	Waddell & Reed Financial, Inc.		1,348,618
11,846	Washington Federal, Inc.		287,976
12,750	Washington Mutual, Inc.		543,660
			<u>22,634,892</u>
Industrials 4.8%			
44,450	AGCO Corp. (a)		1,929,574
44,500	Blount International, Inc. (a)		582,060
3,000	Boeing Co.		288,480
28,000	General Electric Co.		1,071,840
900	Simpson Manufacturing Co., Inc.		30,366
18,650	Tyco International, Ltd.		630,184
14,450	United Parcel Service, Inc., Class B		1,054,850
			<u>5,587,354</u>
Materials 3.8%			
21,200	Alcoa, Inc.		859,236
7,000	Cia Vale do Rio Doce ADR		311,850
47,350	Dow Chemical Co.		2,093,817
23,950	E.I. Du Pont de Nemours & Co.		1,217,618
			<u>4,482,521</u>
Technology 3.2%			
37,350	Dell, Inc. (a)		1,066,342
23,550	eFunds Corp. (a)		831,080
38,520	First Data Corp.		1,258,448
18,400	Microsoft Corp.		542,248
			<u>3,698,118</u>

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2007

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
Telecommunications 9.9%		
35,750	AT&T, Inc.	\$ 1,483,625
53,100	Comcast Corp. (a)	1,493,172
4,594	Discovery Holding Co. (a)	105,616
78,870	Interpublic Group of Cos., Inc. (a)	899,118
15,000	Journal Register Co.	67,200
32,725	Motorola, Inc.	579,233
49,150	SK Telecom Co., Ltd., ADR	1,344,252
53,750	Tele Norte Leste Participacoes SA, ADR	1,019,638
15,300	Telecom Corp. of New Zealand, Ltd., ADR	427,176
59,000	Telefonos de Mexico SAB de CV, ADR	2,235,510
46,500	Time Warner, Inc.	978,360
14,990	Value Line, Inc.	658,061
8,000	Viacom, Inc. (a)	333,040
		<u>11,624,001</u>
Total Common Stocks (Cost \$74,529,010)		<u>98,511,128</u>
Non-Convertible Preferred Stock 0.5%		
Utilities 0.5%		
305	AEP Texas Central Co.	20,378
1,500	Connecticut Light & Power	51,281
1,000	Connecticut Light & Power	36,000
1,500	Connecticut Light & Power	51,047
1,300	Great Plains Energy, Inc.	111,475
4,000	Hawaiian Electric Co.	58,375
300	Indianapolis Power & Light Co.	19,669
78	MidAmerican Energy Co.	5,270
80	MidAmerican Energy Co.	6,385
100	Monongahela Power Co.	9,000
200	NSTAR Electric Co.	15,281
1,000	Pacific Enterprises	82,250
400	Peco Energy Co.	29,530
945	Public Service Electric & Gas Co.	76,781
300	Westar Energy, Inc.	23,597
Total Non-Convertible Preferred Stock		<u>596,319</u>
Total Preferred Stock (Cost \$494,214)		<u>596,319</u>
Exchange Traded Funds 0.3%		
Mutual Funds 0.3%		
10,000	iShares MSCI Germany Index Fund (Cost \$94,200)	<u>331,000</u>

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2007

<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
Convertible Bonds 2.2%				
Consumer Staples 0.8%				
300,000	Alliance One International, Inc.	11.00%	5/15/2012	\$ 330,750
700,000	Tenet Healthcare Corp.	6.40%	12/1/2011	643,125
				<u>973,875</u>
Energy 0.3%				
115,000	El Paso Corp.	6.50%	6/1/2008	116,090
190,000	El Paso Corp.	6.70%	2/15/2027	177,594
				<u>293,684</u>
Financials 0.6%				
173,278	FINOVA Group, Inc. (b)	7.50%	11/15/2009	38,554
670,000	GMAC, LLC	4.40%	12/10/2007	665,239
6,127	Scotia Pacific Co., LLC (b)	6.60%	7/20/2028	5,642
				<u>709,435</u>
Industrials 0.1%				
94,000	Waste Management, Inc.	7.40%	8/1/2010	98,552
71,000	Waste Management, Inc.	7.70%	3/15/2011	75,468
				<u>174,020</u>
Technology 0.1%				
100,000	Danka Business Systems, plc (c)	10.00%	4/1/2008	<u>100,000</u>
Utilities 0.3%				
65,000	Indianapolis Power & Light Co.	7.40%	8/1/2007	65,073
275,000	Sierra Pacific Power Co.	8.00%	6/1/2008	281,308
				<u>346,381</u>
Convertible Bonds (Cost \$2,645,525)				<u>2,597,395</u>
<u>Shares</u>	<u>Security Description</u>			<u>Value</u>
Foreign Municipal Bonds 1.1%				
Utilities 1.1%				
1,500,000	Ontario Hydro Residual Strip (Canada) (d)	5.51%	10/1/2020	723,808
356,000	Ontario Hydro Residual Strip (Canada) (d)	5.47%-5.65%	11/27/2020	170,447
605,000	Ontario Hydro Residual Strip (Canada) (d)	5.61%	10/15/2021	276,600
235,000	Ontario Hydro Residual Strip (Canada) (d)	5.75%	8/18/2022	102,807
Total Foreign Municipal Bonds (Cost \$879,233)				<u>1,273,662</u>

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SCHEDULE OF INVESTMENTS
JUNE 30, 2007

<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
US Treasury Securities 4.0%				
65,000	United States Treasury Note	3.80%	5/15/2008	\$ 64,309
935,000	United States Treasury Note	3.90%	7/31/2007	934,635
460,000	United States Treasury Note	3.90%	7/15/2010	447,314
800,000	United States Treasury Note	4.00%	9/30/2007	798,501
260,000	United States Treasury Note	4.30%	10/31/2007	259,533
500,000	United States Treasury Note	4.30%	11/30/2007	498,829
685,000	United States Treasury Note	4.40%	1/31/2008	682,967
1,000,000	United States Treasury Note	4.60%	2/29/2008	997,579
Total US Treasury Securities (Cost \$4,700,553)				<u>4,683,667</u>
<u>Shares</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
Short Term Investments 7.6%				
Corporate Bonds 0.6%				
Financials 0.6%				
80,000	Countrywide Home Loans, Inc.	4.30%	12/19/2007	79,536
645,000	Countrywide Home Loans, Inc.	6.90%	7/16/2007	645,275
Total Corporate Bonds (Cost \$724,948)				<u>724,811</u>
Money Market Funds 6.3%				
7,321,249	Citi Institutional Cash Reserves, Class O (Cost \$7,321,249)			<u>7,321,249</u>
Money Market Deposit Account 0.7%				
868,552	Citibank Money Market Deposit Account (Cost \$868,552)			<u>868,552</u>
Total Short Term Investments (Cost \$8,914,749)*				<u>8,914,612</u>
Total Investments — 99.7% (Cost \$92,257,484)				\$ 116,907,783
Other Assets & Liabilities, Net — 0.3%				<u>315,607</u>
NET ASSETS — 100.0%				<u>\$ 117,223,390</u>

ADR American Depositary Receipt
plc Public Limited Company
REIT Real Estate Investment Trust
(a) Non-income producing security.
(b) Securities are currently on default and are on scheduled interest or principal payment.
(c) Original issue discount.
(d) Zero coupon bond. Interest rate presented is yield to maturity.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2007

* Cost for Federal income tax purposes is \$92,291,426 and net unrealized appreciation (depreciation) consists of:

Gross Unrealized Appreciation	\$ 26,811,392
Gross Unrealized Depreciation	<u>(2,195,036)</u>
Net Unrealized Appreciation (Depreciation)	<u>\$ 24,616,356</u>

PORTFOLIO HOLDINGS

% of Net Assets

Consumer Discretionary	7.6%
Consumer Staples	33.1%
Energy	2.3%
Financials	19.3%
Industrials	4.8%
Materials	3.8%
Technology	3.2%
Telecommunications	9.9%
Utilities	0.5%
Exchange Traded Funds	0.3%
US Treasury Securities	4.0%
Convertible Bonds	2.2%
Foreign Municipal Bonds	1.1%
Short-Term Investments and Other Net Assets	<u>7.9%</u>
	<u>100.00%</u>

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2007

ASSETS

Total investments, at value (Cost \$92,257,484)	\$ 116,907,783
Receivables:	
Fund shares sold	78,523
Investment securities sold	154,018
Dividends and interest	297,071
Total Assets	<u>117,437,395</u>

LIABILITIES

Payables:	
Fund shares redeemed	34,702
Investment securities purchased	53,308
Accrued Liabilities:	
Investment adviser fees	125,649
Trustees' fees and expenses	209
Distribution fees	137
Total Liabilities	<u>214,005</u>

NET ASSETS

\$ 117,223,390

COMPONENTS OF NET ASSETS

Paid-in capital	\$ 89,009,718
Accumulated undistributed (distributions in excess of) net investment income	1,579,697
Accumulated net realized gain (loss) on investments and foreign currency transactions	1,983,676
Net unrealized appreciation (depreciation) on investments and foreign currency translations	<u>24,650,299</u>

NET ASSETS

\$ 117,223,390

SHARES OF BENEFICIAL INTEREST (UNLIMITED SHARES AUTHORIZED)

Investor Shares	6,844,382
A Shares	23,350
C Shares	2,966

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE

Investor Shares (based on net assets of \$116,774,074)	\$ 17.06
A Shares (based on net assets of \$398,660)	<u>\$ 17.07</u>
A Shares Maximum Public Offering Price Per Share (net asset value per share/94.25%)	<u>\$ 18.11</u>
C Shares (based on net assets of \$50,656)	<u>\$ 17.08</u>

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2007

INVESTMENT INCOME

Dividend income (net of foreign taxes withheld of \$20,916)	\$ 3,424,568
Interest income	690,517
Total Investment Income	<u>4,115,085</u>

EXPENSES

Investment advisor fees	1,482,544
Distribution fees:	
A Shares	1,298
C Shares	472
Trustees' fees and expenses	5,542
Total Expenses	<u>1,489,856</u>
Expenses reimbursed	<u>(6,958)</u>
Net Expenses	<u>1,482,898</u>

NET INVESTMENT INCOME (LOSS)	<u>2,632,187</u>
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**NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS
AND FOREIGN CURRENCY TRANSACTIONS**

Net realized gain (loss) on investments and foreign currency transactions	1,980,859
Net change in unrealized appreciation (depreciation) on investments and foreign currency translations	<u>16,389,967</u>

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS	<u>18,370,826</u>
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INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ 21,003,013</u>
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AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Years Ended June 30,	
	2007	2006
OPERATIONS		
Net investment income (loss)	\$ 2,632,187	\$ 1,486,089
Net realized gain (loss) on investments and foreign currency transactions	1,980,859	4,247,417
Net change in unrealized appreciation (depreciation) on investments	16,389,967	(2,360,265)
Increase (Decrease) in Net Assets from Operations	<u>21,003,013</u>	<u>3,373,241</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income:		
Investor Shares	(1,911,461)	(1,212,706)
A Shares	(10,239)	(2,302)
C Shares	(413)	(88)
Net realized gains:		
Investor Shares	(3,211,699)	(1,415,961)
A Shares	(15,576)	(1,475)
C Shares	(1,231)	(283)
Total Distributions To Shareholders	<u>(5,150,619)</u>	<u>(2,632,815)</u>
CAPITAL SHARE TRANSACTIONS		
Sale of Shares		
Investor Shares	10,449,713	25,928,618
A Shares	191,821	395,537
C Shares	5,864	47,003
Reinvestment of distributions:		
Investor Shares	5,024,561	2,556,577
A Shares	25,815	3,776
C Shares	1,644	370
Redemption of shares:		
Investor Shares	(18,129,894)	(22,010,024)
A Shares	(283,189)	(2,244)
C Shares	(10,936)	-
Redemption fees	14,574	26,079
Increase (Decrease) From Capital Transactions	<u>(2,710,027)</u>	<u>6,945,692</u>
Increase (Decrease) in Net Assets	13,142,367	7,686,118
NET ASSETS		
Beginning of Period	104,081,023	96,394,905
End of Period (a)	<u>\$ 117,223,390</u>	<u>\$ 104,081,023</u>
(a) Accumulated undistributed (distributions in excess of) net investment income	<u>\$ 1,579,697</u>	<u>\$ 909,649</u>

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

	<u>Beginning</u> <u>Net Asset</u> <u>Value Per</u> <u>Share</u>	<u>Net</u> <u>Investment</u> <u>Income</u> <u>(Loss)</u>	<u>Net Realized</u> <u>and</u> <u>Unrealized</u> <u>Gain (Loss)</u>	<u>Total</u> <u>from</u> <u>Investment</u> <u>Operations</u>	<u>from Net</u> <u>Investment</u> <u>Income</u>	<u>from Net</u> <u>Realized</u> <u>Gains</u>	<u>Total</u> <u>Distributions</u> <u>to Shareholders</u>	<u>Redemption</u> <u>Fees (b)</u>	<u>Ending</u> <u>Net Asset</u> <u>Value Per</u> <u>Share</u>
Investor Shares									
Year Ended June 30, 2007	\$ 14.76	\$ 0.38 (b)	\$ 2.66	\$ 3.04	\$ (0.27)	\$ (0.47)	\$ (0.74)	- (g)	\$ 17.06
Year Ended June 30, 2006	14.64	0.21 (b)	0.30	0.51	(0.18)	(0.21)	(0.39)	- (g)	14.76
Year Ended June 30, 2005	13.74	0.15 (b)	1.08	1.23	(0.08)	(0.25)	(0.33)	- (g)	14.64
Year Ended June 30, 2004 (c)	11.68	0.13 (b)	2.10	2.23	(0.17)	-	(0.17)	-	13.74
Year Ended June 30, 2003 (c)	11.33	0.20	0.42	0.62	(0.10)	(0.17)	(0.27)	-	11.68
A Shares (h)									
Year Ended June 30, 2007	14.77	0.41 (b)	2.63	3.04	(0.27)	(0.47)	(0.74)	-	17.07
July 8, 2005 through June 30, 2006 (i)	14.81	0.21 (b)	0.14	0.35	(0.18)	(0.21)	(0.39)	-	14.77
C Shares									
Year Ended June 30, 2007	14.78	0.25 (b)	2.67	2.92	(0.15)	(0.47)	(0.62)	-	17.08
August 26, 2005 through June 30, 2006 (i)	14.70	0.11 (b)	0.24	0.35	(0.06)	(0.21)	(0.27)	-	14.78

(a) Annualized for periods less than one year.

(b) Calculated based on average shares outstanding for the period.

(c) Audited by another Independent Registered Public Accounting Firm.

(d) Not annualized for periods less than one year.

(e) Total return does not include the effect of front-end sales charges or contingent deferred sales charges.

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

(g) Less than \$0.01 per share.

(h) Due to shareholder redemptions, on August 21, 2005 net assets of the class were zero from the close of business on that date until September 22, 2005.

Financial information presented is for the period July 8, 2005 through June 30, 2006.

(i) A and C shares commenced operations on July 8, 2005 and August 26, 2005, respectively.

	<u>Total Return (d) (e)</u>	<u>Net Assets at End of Period (000's Omitted)</u>	<u>Ratios to Average Net Assets (a)</u>			<u>Portfolio Turnover Rate (d)</u>
			<u>Net Investment Income (Loss)</u>	<u>Net Expenses</u>	<u>Gross Expenses (f)</u>	
Investor Shares						
Year Ended June 30, 2007	21.11%	\$116,774	2.40%	1.35%	1.36%	16%
Year Ended June 30, 2006	3.44%	103,642	1.44%	1.35%	1.36%	28%
Year Ended June 30, 2005	9.01%	96,395	1.09%	1.35%	1.35%	28%
Year Ended June 30, 2004 (c)	19.17%	63,885	0.97%	1.35%	1.35%	18%
Year Ended June 30, 2003 (c)	5.72%	25,141	1.89%	1.35%	1.36%	37%
A Shares (h)						
Year Ended June 30, 2007	21.10	399	2.59%	1.35%	1.60%	16%
July 8, 2005 through June 30, 2006 (i)	2.32	392	1.56%	1.35%	1.61%	28%
C Shares						
Year Ended June 30, 2007	20.18	51	1.61%	2.10%	2.36%	16%
August 26, 2005 through June 30, 2006 (i)	2.38	47	0.84%	2.10%	2.36%	28%

Note 1. Organization

The Auxier Focus Fund (the “Fund”), is a non-diversified series of Forum Funds (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940, as amended. The Trust currently has twenty-seven investment portfolios. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund’s shares of beneficial interest without par value. The Fund currently offers three classes of shares: Investor Shares, A Shares, and C Shares. Investor Shares, A Shares and C Shares commenced operations on July 9, 1999, July 8, 2005 and August 26, 2005, respectively.

The Fund’s investment objective is to achieve long-term capital appreciation by investing primarily in a portfolio of common stocks that the Fund’s investment advisor believes offer growth opportunities at a reasonable price. The Fund is intended for long-term investors.

Note 2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increase and decrease in net assets from operations during the fiscal period. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Fund.

Security Valuation – Exchange traded securities and over-the-counter securities are valued using the last sale or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and asked price. Non-exchange traded securities for which quotations are available are generally valued at the mean of the current bid and asked prices provided by independent pricing services. Debt securities may be valued at prices supplied by a Fund’s pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics, such as rating, interest rate and maturity. Shares of open end mutual funds are valued at net asset value. Any short-term instruments that mature in sixty days or less may be valued at amortized cost.

The Fund values its investments at fair value pursuant to procedures adopted by the Trust’s Board of Trustees if (1) market quotations are insufficient or not readily available or (2) the Adviser believes that the values available are unreliable. Fair valuation is based on subjective factors and as a result, the fair value price of an investment may differ from the security’s market price and may not be the price at which the asset may be sold. Fair valuation could result in a different net asset value (“NAV”) than a NAV determined by using market quotes.

Security Transactions, Investment Income and Realized Gain and Loss – Investment transactions are accounted for on 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 practical after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding taxes, which are accrued as applicable. Interest income is recorded on an accrual basis. All premium and discount are amortized and accreted in accordance with generally accepted accounting principles. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

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

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

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

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

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

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

Redemption Fees – A shareholder who redeems or exchanges shares within 180 days of purchase will incur a redemption fee of 2.00% of the current net asset value of shares redeemed or exchanged, subject to certain limitations. The fee is charged for the benefit of the remaining shareholders and will be paid to the Fund to help offset transaction costs. The fee is accounted for as an addition to paid-in capital. The Fund reserves the right to modify the terms of or terminate the fee at any time. There are limited exceptions to the imposition of the redemption fee.

New Accounting Pronouncements - In June 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes—an interpretation of FAS 109 (“FIN 48”) which is effective for fiscal years beginning after December 15, 2006. FIN 48 prescribes a minimum threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and requires certain expanded disclosures. Fund management has determined that the Fund has not taken any tax positions in the current or prior reporting periods that would require reporting under FIN 48.

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 *Fair Value Measurements* (“SFAS 157”), which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those fiscal years. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. Management has recently begun to evaluate the application of SFAS 157, and has not at this time determined the impact, if any, resulting from the adoption on the Fund’s financial statements..

Note 3. Advisory Fees, Servicing Fees and Other Transactions

Investment Advisor – Auxier Asset Management, LLC (the “Adviser”) is the investment adviser to the Fund. Pursuant to an management agreement, the Adviser receives an advisory fee from the Fund at an annual rate of 1.35% of the Fund’s average daily net assets.

Under the terms of the Management agreement, the Adviser provides investment advisory services to the Fund and is obligated to pay all expenses of the Fund except any expenses it is authorized to pay under Rule 12b-1, brokerage costs, commissions, borrowing costs, taxes, certain compensation expenses of the Trustees, the transfer agent’s basis point fees, and extraordinary and non-recurring expenses

Distribution – Foreside Fund Services, LLC serves as the Fund’s distributor (the “Distributor”). The Distributor is not affiliated with the Adviser, Citigroup Fund Services, LLC (“Citigroup”) or its affiliated companies. The Fund has adopted a distribution plan for A shares and C shares of the Fund in accordance with Rule 12b-1 of the 1940 Act. The Fund pays the Distributor and any other entity as authorized by the Board a fee of 0.25% and 1.00%, respectively, of the average daily net assets of A and C shares. For the year ended June 30, 2007, the Distributor received \$1,770 pursuant to the Distribution Plan. The Distributor has no role in determining the investment policies or which securities are to be purchased or sold by the Trust or its Funds.

For the year ended June 30, 2007, the Distributor retained \$1,478 of the front-end sales charges assessed on the sale of A Shares. The Distributor did not retain any commissions from the contingent deferred sales charges assessed on A Shares purchased without an initial sales charge and redeemed less than one year after they are purchased. The Distributor did not retain any commissions from contingent deferred sales charges assessed on purchases of \$1 million or more of C Shares that are liquidated in whole or in part within one year of purchase.

Other Services Providers

Citigroup provides administration, custody services, portfolio accounting, and transfer agency services to the Fund. Certain employees of Citigroup are also officers of the Trust.

Foreside Compliance Services, LLC (“FCS”), an affiliate of the Distributor, provides a Principal Executive Officer, Principal Financial Officer, Chief Compliance Officer, and Anti-Money Laundering Officer as well as certain additional compliance support functions to the Fund. FCS has no role in determining the investment policies or which securities are to be purchased or sold by the Trust or its Funds. Certain officers or employees of FCS are also officers of the Trust. The Principal Executive Officer is an affiliate of the Distributor due to his ownership in the Distributor. For the year ended June 30, 2007 the Adviser paid compliance service fees for the Fund of \$38,482 from the fees collected under the Management agreement.

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 4. Expense Reimbursements

During the period the Adviser has contractually agreed to waive a portion of their fees and reimburse expenses through October 31, 2007 to the extent necessary to maintain the total operating expenses at 1.35% of average daily net assets of the Investor shares and A shares and 2.10% of average daily net assets of C shares. These voluntary waivers may be reduced or eliminated at any time. For the year ended June 30, 2007, expenses reimbursed were \$6,958.

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments, for the year ended June 30, 2007, were \$16,629,109 and \$15,821,842 respectively.

Note 6. Federal Income Tax and Investment Transactions

As of June 30, 2007, distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed Ordinary Income	\$1,704,278
Undistributed Long-Term Gain	1,893,036
Unrealized Appreciation (Depreciation)	<u>24,616,356</u>
Total	\$28,213,670

The difference between components of distributable earnings on a tax basis and the amount reflected in the Statement of Assets and Liabilities are primarily due to wash sales.

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

	<u>2007</u>	<u>2006</u>
Ordinary Income	\$ 1,922,113	\$ 1,215,096
Long-term Capital Gain	3,232,506	1,417,719

On the Statement of Assets and Liabilities, as a result of permanent book to tax differences, certain amounts have been reclassified for the year ended June 30, 2007. The following reclassification was primarily due to REIT income adjustments, and has no impact on the net assets of the Fund.

Accumulated Net Investment Income	\$(40,026)
Paid-In-Capital	480
Undistributed Net Realized Gain (Loss)	39,546

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 7. Share Transactions

Share Transactions for the Fund were as follows:

	Year Ended	
	2007	2006
Sales of Shares:		
Investor Shares	664,908	1,742,260
A Shares	12,462	26,411
C Shares	372	3,157
Reinvestment of distributions:		
Investor Shares	317,807	171,877
A Shares	1,632	254
C Shares	104	25
Redemption of shares:		
Investor Shares	(1,157,996)	(1,477,697)
A Shares	(17,258)	(151)
C Shares	(692)	-
Increase (decrease) from share transactions	<u>(178,661)</u>	<u>466,136</u>

Note 8. Other Information

On June 30, 2007, one shareholder held approximately 41% of the outstanding shares of Investor shares. This shareholder is an omnibus account, which is held on behalf of several individual shareholders. On the aforementioned date, four shareholders held approximately 45% for the outstanding shares of A shares. On the aforementioned date, three shareholders held approximately 100% for the outstanding shares of C shares.

AUXIER FOCUS FUND
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
JUNE 30, 2007

To the Board of Trustees of Forum Funds and Shareholders of Auxier Focus Fund:

We have audited the accompanying statement of assets and liabilities of Auxier Focus Fund (the "Fund"), a series of Forum Funds, including the schedule of investments as of June 30, 2007, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit. The financial highlights for each of the two years in the period then ended June 30, 2004 were audited by other auditors whose report, dated August 25, 2004, expressed an unqualified opinion on those financial highlights.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of June 30, 2007, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Auxier Focus Fund as of June 30, 2007, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Boston, Massachusetts
August 24, 2007

AUXIER FOCUS FUND
ADDITIONAL INFORMATION (Unaudited)
JUNE 30, 2007

Proxy Voting Information

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to securities held in the Funds' portfolio is available, without charge and upon request, by calling (877) 328-9437 and on the SEC's website at www.sec.gov. The Funds' proxy voting records for the period of July 1, 2006 through June 30, 2007 will be available, without charge and upon request, by calling (877) 328-9437 and on the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

The Funds file its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available, without charge and upon request on the SEC's website at www.sec.gov or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments on certain classes; redemption fees; and exchange fees and (2) ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The following example is based on \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2007 through June 30, 2007.

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

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

Please note that expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) for certain share classes, redemption fees or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs had been included, your costs would have been higher.

	Beginning Account Value January 1, 2007	Ending Account Value June 30, 2007	Expenses Paid During Period*	Annualized Expense Ratio*
Investor Shares				
Actual Return	\$1,000.00	\$1,085.94	\$6.98	1.35%
Hypothetical Return	\$1,000.00	\$1,018.10	\$6.76	1.35%

AUXIER FOCUS FUND

ADDITIONAL INFORMATION (Unaudited)

JUNE 30, 2007

A Shares

Actual Return	\$1,000.00	\$1,085.87	\$6.98	1.35%
Hypothetical Return	\$1,000.00	\$1,018.10	\$6.76	1.35%

C Shares

Actual Return	\$1,000.00	\$1,082.38	\$10.84	2.10%
Hypothetical Return	\$1,000.00	\$1,014.38	\$10.49	2.10%

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

Federal Tax Status of Dividends Declared during the Tax Year

Income Dividends – For Federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The 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. The Fund also designates 30.94% as qualified NII (QII) dividends exempt from US tax for foreign shareholders.

Capital Gain Dividends – The Fund paid long-term capital gain dividends of \$3,232,506 for the tax year ended June 30, 2007.

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 shareholders. The following tables give information about each Board member and certain officers of the Trust. The fund complex includes the Trust and Monarch Funds, another investment company (collectively, the "Fund Complex"), as related companies for purposes of investment and investor services. The Trustees and officers listed below also serve in the capacities noted below for Monarch Funds with the exception of Mr. Collier and Ms. Bakke who do not serve as officers of Monarch Funds. Mr. Keffer is considered an Interested Trustee due to his affiliation with a Trust adviser and the Distributor within the past two years. 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 Two Portland Square, Portland, ME 04101, unless otherwise indicated. Each Trustee oversees thirty-one portfolios in the Fund Complex. Each Independent Trustee is also an Independent Trustee of Monarch Funds, a registered investment company within the Fund Complex. Mr. Keffer is also an Interested Trustee/Director of Wintergreen Fund, Inc. and Monarch Funds. The Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (800) 206-8610.

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years
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Independent Trustees			
J. Michael Parish Born: 1943	Chairman of the Board; Trustee; Chairman, Compliance Committee, Nominating Committee and Qualified Legal Compliance Committee	Trustee since 1989 (Chairman since 2004)	Retired; Partner, Wolf, Block, Schorr and Solis-Cohen, LLP (law firm) 2002-2003; Partner, Thelen Reid & Priest LLP (law firm) 1995 – 2002.

Costas Azariadis Born: 1943	Trustee; Chairman, Valuation Committee	Since 1989	Professor of Economics, Washington University (effective 2006); Professor of Economics, University of California-Los Angeles 1992- 2006.
James C. Cheng Born: 1942	Trustee; Chairman, Audit Committee	Since 1989	President, Technology Marketing Associates (marketing company for small- and medium-sized businesses in New England).
<u>Interested Trustee</u>			
John Y. Keffer Born: 1942	Trustee; Chairman, Contracts Committee	Since 1989	President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company) since 1997; President, Citigroup Fund Services, LLC (Citigroup) 2003 - 2005; President, Forum Financial Group, LLC ("Forum") (a fund services company acquired by Citibank, N.A. 1999 - 2003).

<u>Officers</u>			
Simon D. Collier Born: 1961	President; Principal Executive Officer	Since 2005	President, Foreside Financial Group, since April 2005; President, Foreside Services, Inc. (a staffing services firm) since December 2006; President, Foreside Compliance Services, LLC, since October 2005; President, Foreside Management Services, LLC, since December 2006; Chief Operating Officer and Managing Director, Global Fund Services, Citigroup 2003–2005; Managing Director, Global Securities Services for Investors, Citibank, N.A. 1999–2003.
Trudance L.C. Bakke Born: 1971	Treasurer; Principal Financial Officer	Since 2005 (Principal Financial Officer since August 2006)	Director, Foreside Compliance Service, LLC since 2006; Product Manager, Citigroup 2003-2006; Senior Manager of Corporate Finance, Forum 1999 - 2003.
Beth P. Hanson Born: 1966	Vice President; Assistant Secretary	Since 2003	Relationship Manager, Citigroup since 2003; Relationship Manager, Forum 1999 – 2003.
Scott M. Hagwood Born: 1968	Vice President	Since 2007	Director and Relationship Manager, Citigroup since 2007; Relationship Manger, SEI Investment 1999-2006.
Brian Eng Born: 1972	Secretary	Since 2007	Vice President and Counsel, Citigroup since 2007; Associate, Goodwin Proctor LLP 2005 – 2007; Law Clerk, Goodwin Proctor LLP 2003 – 2005; Vice President and Portfolio Strategist, Dion Money Management 2001 – 2002.

Auxier Focus Fund

FOR MORE INFORMATION

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