
Auxier Focus Fund

Semi-Annual Report

December 31, 2011
(Unaudited)

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AUXIER FOCUS FUND
PERFORMANCE UPDATE
December 31, 2011

ANNUALIZED					
	One Year	Three Years	Five Years	Ten Years	Inception **
Auxier Focus *	5.57%	13.19%	2.96%	5.87%	6.27%
S&P 500 Index	2.11%	14.11%	-0.25%	2.92%	0.95%

CUMULATIVE					
	One Year	Three Years	Five Years	Ten Years	Inception **
Auxier Focus *	5.57%	45.02%	15.71%	76.91%	113.49%
S&P 500 Index	2.11%	48.59%	-1.24%	33.35%	12.48%

* Investor Shares

** Fund inception: July 9, 1999

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 Auxier Focus Fund's (the "Fund") annual operating expense ratio (gross) is 1.25%. The Fund's adviser has contractually agreed to reduce a portion of its fee and reimburse Fund expenses to limit total annual operating expenses at 1.25%, which is in effect until October 31, 2012. The Fund charges a 2.0% redemption fee on shares redeemed within six months of purchase. For the most recent month-end performance, please call (877) 328-9437 or visit the Fund's website at www.auxierasset.com.

Year End 2011 Results

Auxier Focus Fund returned 8.65% in fourth quarter 2011, trailing a corresponding 11.82% rebound in Standard & Poor's 500 stock index (S&P). For the year, however, the Fund's 5.57% return more than doubled the S&P's 2.11% gain. The average U.S. stock fund lost 2.9% (Lipper). Hedge funds tanked even more, dropping 5.38% on average based on Barclay's Hedge Fund Index.

This wide disparity in results illustrates how we strive to harness the long-term power of compounding by materially outperforming our peers in down markets rather than chasing hot stocks during upswings. The payoff? Since inception in 1999, the Fund has cumulatively gained 113.49%, convincingly lapping the S&P's corresponding 12.48% return *ninefold*. On an annualized basis, the Fund since inception has been six times more rewarding than the market, returning 6.27% versus the S&P's 0.95%. It's worth noting that tenures of today's stock fund managers average less than five years. By comparison, the Fund's sole manager since 1999 also pilots many separately managed client accounts dating back to the early 1980s.

Market Commentary

Europe's sovereign debt contagion dominated last year's headlines and depressed large bank stocks overseas and stateside (where the KBW Bank Index tumbled 23.19% in 2011). As economies in Europe slumped, those of China and other major exporters to the region sputtered, contributing to a sharp correction in commodity prices. Most major stock markets around the globe suffered losses for the year. So-called defensive stocks (e.g., healthcare, food and beverages) with high and increasing cash dividends tended to fare better than the more cyclical and credit-dependent stocks. Many European banks mistakenly perceived the risk in Euro-zone government debt and failed to provide an ample capital cushion on their balance sheets. The painful deleveraging and restructuring process that continues in 2012 could produce not only a recession but also a generational buying opportunity among the European Union's battered blue-chip stocks. We are highly energized to capitalize on such bargains when they materialize.

U.S. Government bonds enjoyed strong gains last year as their yields continued to shrink. But one could argue that they present similar risks to those witnessed in Europe. Widely held perception that U.S. Government debt is comparatively safe can be questioned when you factor in such pitfalls as loss of purchasing power, interest-rate volatility and solvency. With governments eager to print money and defer fiscal restructuring, the risk appears much too high for the potential reward. To protect assets in today's competitive global economy, it is more important than ever to focus on fundamentals and allocate portfolios based on price, value and margin of safety. Popular mutual fund

AUXIER FOCUS FUND
A MESSAGE TO OUR SHAREHOLDERS
DECEMBER 31, 2011

mantras like “buy, hold and forget” are dangerous as well as hackneyed. The bankruptcy of Eastman Kodak, a former member of the elite “Nifty Fifty” in the 1970s, illustrates how advances in technology can rapidly undermine seemingly fortress business franchises.

How Our Portfolio Is Positioned

Natural gas prices recently dropped to a 10-year low—under \$3 per Mcf (one thousand cubic feet). The ability to extract both oil and natural gas from previously underutilized shale formations should lead to lower energy costs for the next few years. As we observed last year, the commodity boom was more overextended (115 months in duration as of mid-2011) than both the ill-fated housing and technology bubbles. As prices stay high, blistering advances in technology make it possible to flood the market for just about any commodity, product or service. Gluts of supply can pose a major threat to the portfolio and are more prevalent in periods, like today, of easy money policies. China, for example, has been a voracious consumer of commodities. As that economy slows, prices should continue to return to levels closer to the marginal cost of production. Many of the companies in the Fund should benefit as these price pressures abate, leading to a widening of profit margins and potential P/E¹ multiple expansion. The good news: dividend payout ratios among U.S. stocks remain historically low and should rise as investors demand increased cash payments over stock buybacks.

Top Holdings on 12/31/2011	% Assets
Philip Morris	2.4
Molson Coors Brewing	2.4
Pepsico	2.4
Merck	2.2
Microsoft	1.9
Wal-Mart Stores	1.9
Medtronic	1.9
Medco Health Solutions	1.7
Unilever NV	1.5
Hospira	1.4
Apollo Group	1.4
Johnson & Johnson	1.4
Mastercard	1.4
BP (British Petroleum)	1.4
Coca-Cola	1.2

Incessantly negative headlines out of Europe often obscure the powerful and upbeat trend of emerging market urbanization. Food marketing in Asia, for example, is being revolutionized by rapid growth in personal income, which since 1998 has risen three to four times faster than in the U.S. and Europe. Wages in China are estimated to double in the next five years. This surge boosts demand for Western goods and distribution platforms that also supply local products to those aspiring customers in growing urban centers. We focus on companies that excel in selling quality products (especially low-ticket necessities), executing on the details and positioning the Fund so that it may profit from these long-term fundamental trends.

In developed countries, soaring levels of total public and private debt (exceeding 300% of GDP in the U.S.) ensure that investors can’t count on a strong economy or stock market to bail out poor investment selections. Recoveries following balance sheet recessions historically are much more susceptible to outside shocks. As a result, the Fund has carried more cash than normal both as a precaution and as a source of funds to make exceptional purchases when the time is right. Great individual buys, when prices are compelling, are critical to produce market-beating returns. This past quarter we were able to take advantage of such bargain prices in Molson Coors, Medco Health, and Hospira. All three are topnotch businesses that we have tracked for years, waiting for the sudden but surmountable stumbles that create rock-bottom entry points.

Periods of economic uncertainty favor an experienced investment manager who can draw on three decades of individual security analysis. We are excited when we can utilize that experience to add value in a meaningful way to your life’s savings.

Your trust and support is appreciated.

Jeff Auxier

IMPORTANT INFORMATION

The Fund may invest in value and/or growth stocks. Investments in value stocks are subject to risk that their intrinsic value may never be realized and investments in growth stocks may be susceptible to rapid price swings, especially during periods of economic uncertainty. In addition, the Fund may invest in mid-sized companies which generally carry greater risk than is customarily associated with larger 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. An increase in interest rates typically causes a fall in the value of a debt security (Fixed-Income Securities Risk) with corresponding changes to the Fund's value.

Fund returns (i) assume the reinvestment of all dividends and capital gain distributions and (ii) would have been lower during the period if certain fees and expenses had not been waived. Performance shown is for the Fund's Investor Class shares; returns for other share classes will vary. Performance for Investor Class shares for periods prior to December 10, 2004 reflects performance of the applicable share class 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 the Fund's Investor Class shares for the period prior to December 10, 2004 reflects the expenses of the Predecessor Fund.

¹ *Price-Earnings Ratio: A valuation ratio of a company's current share price compared to its per-share earnings.*

The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 widely held common stocks. One cannot invest directly in an index.

The views in this shareholder letter were those of the Fund Manager as of the letter's publication date and may not reflect his views on the date this letter is first distributed or anytime thereafter. These views are intended to assist readers in understanding the Fund's investment methodology and do not constitute investment advice. All current and future holdings are subject to risk and are subject to change.

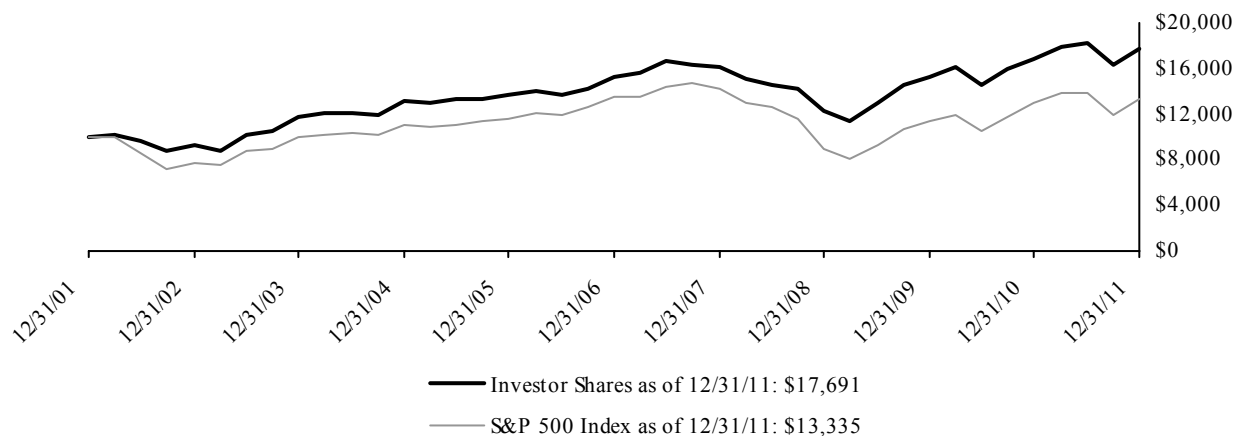
AUXIER FOCUS FUND
PERFORMANCE CHART AND ANALYSIS
DECEMBER 31, 2011

The following chart reflects the change in the value of a hypothetical \$10,000 investment in Investor Shares, including reinvested dividends and distributions, in the Fund compared with the performance of the benchmark, S&P 500, over the past ten fiscal years. The S&P 500 is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The total return of the Fund's classes includes the maximum sales charge of 5.75% (A Shares only) and operating expenses that reduce returns, while the total return of the S&P 500 does not include the effect of sales charges and expenses. A Shares are subject to a 1.00% contingent deferred sales charge on shares purchased without an initial sales charge and redeemed less than one year after purchase. The total return of the S&P 500 includes the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the S&P 500 does not include expenses. The Fund is professionally managed while the S&P 500 is unmanaged and is not available for investment.

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please visit the website of the Fund's investment adviser at www.auxierasset.com. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Investor Shares and A Shares are 1.25% and 1.50%, respectively. However, the Fund's adviser has agreed to contractually reduce a portion of its fees and to reimburse expenses such that total operating expenses do not exceed 1.25% for Investor Shares and A Shares, through at least October 31, 2012. Shares redeemed or exchanged within 180 days of purchase will be charged a 2.00% redemption fee. 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.

Performance for Investor Shares for periods prior to December 10, 2004, reflects performance and expenses 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.

<u>Average Annual Total Return as of 12/31/11:</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Since Inception⁽¹⁾</u>
Investor Shares	5.57%	2.96%	5.87%	6.27%
S&P 500 Index (Since 07/09/99)	2.11%	-0.25%	2.92%	0.95%
A Shares (with sales charge) ⁽²⁾⁽³⁾	-0.50%	1.73%	5.24%	5.76%



⁽¹⁾ Investor and A Shares commenced operations on July 9, 1999, and July 8, 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.

⁽³⁾ For A Shares, performance for the 10-year and since inception periods are blended average annual returns which include the returns of the Investor Shares prior to commencement of operations of the A Shares.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2011

Shares	Security Description	Value	Shares	Security Description	Value
Common Stock - 67.8%			62,850	Philip Morris International, Inc.	\$ 4,932,468
Communications - 1.0%			119,729	PRGX Global, Inc. (a)	712,388
23,000	America Movil SAB de CV, ADR	\$ 519,800	1,721	Ralcorp Holdings, Inc. (a)	147,146
12,150	Motorola Solutions, Inc.	562,424	11,450	Safeway, Inc.	240,908
10,000	News Corp., Class A	178,400	4,000	SAIC, Inc. (a)	49,160
50,050	Telefonica SA, ADR	860,359	500	Sara Lee Corp.	9,460
		2,120,983	67,885	Tesco PLC, ADR	1,278,953
Consumer Discretionary - 12.1%			34,650	The Coca-Cola Co.	2,424,460
52,863	Apollo Group, Inc., Class A (a)	2,847,730	500	The J.M. Smucker Co.	39,085
1,000	Arcos Dorados Holdings, Inc.	20,530	84,950	The Kroger Co.	2,057,489
45,477	Bridgepoint Education, Inc. (a)	1,045,971	7,750	The Procter & Gamble Co.	517,003
42,134	Career Education Corp. (a)	335,808	46,380	The Western Union Co.	846,899
500	Coach, Inc.	30,520	86,500	Unilever NV, ADR	2,973,005
57,100	Comcast Corp., Class A	1,353,841	100	Valeant Pharmaceuticals International, Inc. (a)	4,669
3,000	Cooper-Standard Holding, Inc. (a)	101,625			40,382,792
54,950	CVS Caremark Corp.	2,240,861	Energy - 4.2%		
2,297	Discovery Communications, Inc., Class A (a)	94,108	63,950	BP PLC, ADR	2,733,223
2,297	Discovery Communications, Inc., Class C (a)	86,597	16,750	Chevron Corp.	1,782,200
14,800	DR Horton, Inc.	186,628	15,600	ConocoPhillips	1,136,772
37,987	Gruma S.A.B. de C.V., ADR (a)	285,282	11,200	Exxon Mobil Corp.	949,312
133,800	H&R Block, Inc.	2,184,954	1,200	Gazprom Neft JSC, ADR	27,996
14,850	ITT Educational Services, Inc. (a)	844,817	800	Lukoil OAO, ADR	42,560
13,200	Jamba, Inc. (a)	17,292	2,500	PetroChina Co., Ltd., ADR	310,775
28,197	Lincoln Educational Services Corp.	222,756	11,700	Petroleo Brasileiro SA, ADR	290,745
28,000	Lowe's Cos., Inc.	710,640	2,750	Surgutneftegas OJSC, ADR	21,698
15,800	McDonald's Corp.	1,585,214	22,550	Transocean, Ltd.	865,694
104,200	Newell Rubbermaid, Inc.	1,682,830	19,100	Valero Energy Corp.	402,055
4,900	NIKE, Inc., Class B	472,213	13,800	Willbros Group, Inc. (a)	50,646
3,250	Sally Beauty Holdings, Inc. (a)	68,673			8,613,676
1,738	Strayer Education, Inc.	168,916	Financials - 8.0%		
14,334	The Andersons, Inc.	625,823	25,700	Aflac, Inc.	1,111,782
18,250	The Home Depot, Inc.	767,230	13,500	American International Group, Inc. (a)	313,200
33,917	The Interpublic Group of Cos., Inc.	330,012	1,280	Ameriprise Financial, Inc.	63,539
3,890	Time Warner Cable, Inc.	247,287	145,033	Bank of America Corp.	806,383
15,500	Time Warner, Inc.	560,170	16,000	Berkshire Hathaway, Inc., Class B (a)	1,220,800
13,808	Universal Technical Institute, Inc. (a)	176,466	17,059	Central Pacific Financial Corp. (a)	220,402
25,751	Value Line, Inc.	264,720	14,700	Janus Capital Group, Inc.	92,757
63,700	Wal-Mart Stores, Inc.	3,806,712	64,250	Marsh & McLennan Cos., Inc.	2,031,585
15,052	Weight Watchers International, Inc.	828,011	7,350	Mastercard, Inc., Class A	2,740,227
8,600	Yum! Brands, Inc.	507,486	10,300	Mercury General Corp.	469,886
		24,701,723	10,650	StanCorp Financial Group, Inc.	391,388
Consumer Staples - 19.7%			114,450	The Bank of New York Mellon Corp.	2,278,699
20,050	Alkermes PLC (a)	348,068	38,418	The Travelers Cos., Inc.	2,273,193
400,600	Alliance One International, Inc. (a)	1,089,632	15,672	TNS, Inc. (a)	277,708
35,150	Altria Group, Inc.	1,042,198	6,000	U.S. Bancorp	162,300
2,000	Archer-Daniels-Midland Co.	57,200	10,324	Unum Group	217,527
102,202	Avon Products, Inc.	1,785,469	9,500	Visa, Inc., Class A	964,535
300	Beam, Inc.	15,369	24,950	Waddell & Reed Financial, Inc., Class A	618,012
15,100	British American Tobacco PLC, ADR	1,432,688	7,646	Washington Federal, Inc.	106,968
1,000	Carlsberg A/S, ADR	14,040	4,380	West Coast Bancorp (a)	68,328
3,404	Columbia Sportswear Co.	158,456			16,429,219
12,725	Diageo PLC, ADR	1,112,419	Health Care - 13.5%		
48,050	Dr. Pepper Snapple Group, Inc.	1,897,014	42,600	Abbott Laboratories	2,395,398
94,800	Hospira, Inc. (a)	2,879,076	1,032	Amgen, Inc.	66,265
16,862	Kraft Foods, Inc.	629,964	63,726	BioScrip, Inc. (a)	347,944
9,250	Manpower, Inc.	330,688	18,449	Coventry Health Care, Inc. (a)	560,296
113,025	Molson Coors Brewing Co., Class B	4,921,108	7,320	Express Scripts, Inc. (a)	327,131
3,760	National Beverage Corp. (a)	60,423	31,300	GlaxoSmithKline PLC, ADR	1,428,219
1,600	Nestle SA, ADR	92,336	8,000	Health Management Associates, Inc., Class A (a)	58,960
46,172	Paychex, Inc.	1,390,239	42,050	Johnson & Johnson	2,757,639
73,750	PepsiCo, Inc.	4,893,312			

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2011

Shares	Security Description		Value	Principal	Security Description	Rate	Maturity	Value
63,000	Medco Health Solutions, Inc. (a)		\$ 3,521,700	\$ 115,000	SUPERVALU, Inc.	7.50%	11/15/14	\$ 117,588
98,353	Medtronic, Inc.		3,762,002					
117,710	Merck & Co., Inc.		4,437,667	375,000	SUPERVALU, Inc.	8.00	05/01/16	389,062
87,782	Pfizer, Inc.		1,899,602					4,573,580
6,842	Quest Diagnostics, Inc.		397,247					
31,129	UnitedHealth Group, Inc.		1,577,618					
27,221	WellPoint, Inc.		1,803,391	Energy - 0.3%				
41,650	Zimmer Holdings, Inc. (a)		2,224,943	190,000	El Paso Corp.	6.70	02/15/27	184,094
			27,566,022	424,000	Sunoco, Inc.	5.75	01/15/17	426,506
								610,600
Industrials - 1.9%				Financials - 1.8%				
21,550	AGCO Corp. (a)		926,003	75,000	American Express Credit Corp., Series C	7.30	08/20/13	81,426
25,000	General Electric Co.		447,750					
11,150	Granite Construction, Inc.		264,478	2,370,000	Hartford Financial Services Group, Inc.	5.50	10/15/16	2,464,238
4,850	Illinois Tool Works, Inc.		226,544					
1,000	POSCO, ADR		82,100					
300	Potash Corp. of Saskatchewan, Inc.		12,384	182,000	Hartford Financial Services Group, Inc.	6.30	03/15/18	191,902
12,500	Raytheon Co.		604,750					
3,500	Textainer Group Holdings, Ltd.		101,920	260,000	Janus Capital Group, Inc.	6.70	06/15/17	276,223
3,550	The Boeing Co.		260,393	620,000	Zions Bancorporation	5.50	11/16/15	627,397
14,450	United Parcel Service, Inc., Class B		1,057,595					3,641,186
			3,983,917					
Information Technology - 3.1%				Health Care - 0.9%				
16,650	Automatic Data Processing, Inc.		899,266	540,000	Health Management Associates, Inc.	6.13	04/15/16	561,600
23,350	Dell, Inc. (a)		341,611					
51,800	Intel Corp.		1,256,150	515,000	UnitedHealth Group, Inc.	4.88	03/15/15	570,363
148,064	Microsoft Corp.		3,843,741	430,000	WellPoint, Inc.	5.00	12/15/14	470,138
625	MoneyGram International, Inc. (a)		11,094	130,000	WellPoint, Inc.	5.25	01/15/16	145,676
1,500	Verisk Analytics, Inc., Class A (a)		60,195					1,747,777
			6,412,057					
Materials - 2.1%				Materials - 0.9%				
28,700	E.I. du Pont de Nemours & Co.		1,313,886	895,000	The Dow Chemical Co.	5.70	05/15/18	998,419
7,000	LyondellBasell Industries NV, Class A		227,430	203,000	Weyerhaeuser Co.	9.00	10/01/21	256,039
6,400	Precision Castparts Corp.		1,054,656					
100	Spartech Corp. (a)		473	505,000	Weyerhaeuser Co.	7.95	03/15/25	562,102
47,350	The Dow Chemical Co.		1,361,786					1,816,560
14,000	Vale SA, ADR		300,300					
			4,258,531					
Telecommunications - 2.1%				Utilities - 0.3%				
27,300	AT&T, Inc.		825,552	100,000	Constellation Energy Group, Inc.	4.55	06/15/15	105,667
52,150	SK Telecom Co., Ltd., ADR		709,761	255,000	Energy Future Holdings Corp.	9.75	10/15/19	256,275
174,504	Tele Norte Leste Participacoes SA, ADR		1,659,533	312,000	Energy Future Intermediate Holding Co., LLC	9.75	10/15/19	313,560
27,015	Verizon Communications, Inc.		1,083,842	27,000	Nevada Power Co., Series L	5.88	01/15/15	30,305
			4,278,688					705,807
Utilities - 0.1%				Total Corporate Non-Convertible Bonds (Cost \$11,553,341)				
5,616	FirstService Corp. (a)		148,768					13,095,510
Total Common Stock (Cost \$123,153,968)								
			138,896,376					
Principal	Security Description	Rate	Maturity	Value				
Corporate Non-Convertible Bonds - 6.4%								
Consumer Staples - 2.2%								
\$ 1,180,000	American Stores Co.	7.90%	05/01/17	1,115,100				
2,140,000	Block Financial, LLC	7.88	01/15/13	2,200,070				
50,000	Constellation Brands, Inc.	7.25	05/15/17	55,250				
654,000	Smithfield Foods, Inc., Series B	7.75	05/15/13	696,510				
					Foreign Municipal Bonds - 0.7%			
					356,000	Ontario Hydro Residual Strip (Canada) (b)	5.47-5.65	11/27/20
								262,177

See Notes to Financial Statements.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2011

Principal	Security Description	Rate	Maturity	Value
\$ 605,000	Ontario Hydro Residual Strip (Canada) (b)	5.61%	10/15/21	\$ 429,590
235,000	Ontario Hydro Residual Strip (Canada) (b)	5.75	08/18/22	159,258
750,000	Ontario Hydro Residual Strip (Canada), Series OC20 (b)	5.51	10/01/20	555,644

Total Foreign Municipal Bonds
(Cost \$874,642)

1,406,669

Municipal Bonds - 0.2%

Ohio - 0.2%

550,000	Buckeye Tobacco Settlement Financing Authority	5.88	06/01/47	395,461
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Total Municipal Bonds
(Cost \$374,754)

395,461

U.S. Treasury Securities - 20.9%

43,000,000	U.S. Treasury Bill (c)	0.02	02/23/12	42,999,544
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Total U.S. Government & Agency Obligations
(Cost \$42,999,051)

42,999,544

Shares	Security Description	Value
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Money Market Funds - 0.0%

31	Schwab Government Money Fund, 0.01% (d) (Cost \$31)	31
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Total Investments - 96.0%

(Cost \$178,955,787)*

\$ 196,793,591

Other Assets & Liabilities, Net - 4.0%

8,234,078

Net Assets - 100.0%

\$ 205,027,669

ADR	American Depository Receipt
LLC	Limited Liability Company
PLC	Public Limited Company
(a)	Non-income producing security.
(b)	Zero coupon bond. Rate presented is yield to maturity.
(c)	Rate presented is yield to maturity.
(d)	Variable rate security. Rate presented is as of December 31, 2011.

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

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

	Level 1	Level 2	Level 3	Total
Common Stock				
Communications	\$ 2,120,983	\$ -	\$ -	2,120,983
Consumer Discretionary	24,701,723	-	-	24,701,723
Consumer Staples	40,382,792	-	-	40,382,792
Energy	8,613,676	-	-	8,613,676
Financials	16,429,219	-	-	16,429,219
Health Care	27,566,022	-	-	27,566,022
Industrials	3,983,917	-	-	3,983,917
Information Technology	6,412,057	-	-	6,412,057
Materials	4,258,531	-	-	4,258,531
Telecommunications	4,278,688	-	-	4,278,688
Utilities	148,768	-	-	148,768
Corporate Non-Convertible Bonds	-	13,095,510	-	13,095,510
Foreign Municipal Bonds	-	1,406,669	-	1,406,669
Municipal Bonds	-	395,461	-	395,461
U.S. Government & Agency Obligations	-	42,999,544	-	42,999,544
Money Market Funds	-	31	-	31
Total	\$138,896,376	\$57,897,215	\$ -	\$196,793,591

PORTFOLIO HOLDINGS

% of Net Assets	
Common Stock	67.8%
Corporate Non-Convertible Bonds	6.4%
Foreign Municipal Bonds	0.7%
Municipal Bonds	0.2%
U.S. Government & Agency Obligations	20.9%
Money Market Funds	0.0%
Cash & Other Net Assets	4.0%
	100.0%

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

Gross Unrealized Appreciation	\$ 27,365,393
Gross Unrealized Depreciation	(9,527,589)
Net Unrealized Appreciation	\$ 17,837,804

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2011

ASSETS

Total investments, at value (Cost \$178,955,787)	\$	196,793,591
Cash		6,399,335
Receivables:		
Fund shares sold		2,981,003
Investment securities sold		28,553
Dividends and interest		526,148
Trustees' fees and expenses		108
Total Assets		<u>206,728,738</u>

LIABILITIES

Payables:		
Investment securities purchased		986,327
Fund shares redeemed		485,917
Distributions payable		43,836
Accrued Liabilities:		
Investment adviser fees		184,745
Other expenses		244
Total Liabilities		<u>1,701,069</u>

NET ASSETS	<u>\$</u>	<u>205,027,669</u>
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COMPONENTS OF NET ASSETS

Paid-in capital	\$	186,838,538
Distributions in excess of net investment income		(25,036)
Accumulated net realized gain		376,363
Net unrealized appreciation		17,837,804
NET ASSETS	<u>\$</u>	<u>205,027,669</u>

SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)

Investor Shares	13,052,697
A Shares	80,306

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*

Investor Shares (based on net assets of \$203,774,002)	\$	15.61
A Shares (based on net assets of \$1,253,667)	\$	15.61
A Shares Maximum Public Offering Price Per Share (net asset value per share/(100%-5.75%))	\$	16.56

* Shares redeemed or exchanged within 180 days of purchase are charged a 2.00% redemption fee.

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED DECEMBER 31, 2011

INVESTMENT INCOME

Dividend income (Net of foreign withholding taxes of \$22,312)	\$ 1,620,048
Interest income	<u>529,597</u>
Total Investment Income	<u>2,149,645</u>

EXPENSES

Investment adviser fees	1,115,525
Distribution fees:	
A Shares	1,021
Trustees' fees and expenses	<u>2,677</u>
Total Expenses	1,119,223
Fees waived and expenses reimbursed	<u>(3,698)</u>
Net Expenses	<u>1,115,525</u>

NET INVESTMENT INCOME	<u>1,034,120</u>
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NET REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain on investments	956,755
Net change in unrealized appreciation (depreciation) on:	
Investments	(4,804,008)
Foreign currency translations	<u>(10,472)</u>

NET REALIZED AND UNREALIZED LOSS	<u>(3,857,725)</u>
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DECREASE IN NET ASSETS FROM OPERATIONS	<u><u>\$ (2,823,605)</u></u>
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AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended December 31, 2011	For the Year Ended June 30, 2011
OPERATIONS		
Net investment income	\$ 1,034,120	\$ 2,141,944
Net realized gain	956,755	2,423,959
Net change in unrealized appreciation (depreciation)	(4,814,480)	22,114,894
Increase (Decrease) in Net Assets Resulting from Operations	(2,823,605)	26,680,797
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income:		
Investor Shares	(2,114,894)	(2,383,997)
A Shares	(13,062)	(2,623)
Net realized gain:		
Investor Shares	(2,884,600)	(77,655)
A Shares	(17,043)	(87)
Total Distributions to Shareholders	(5,029,599)	(2,464,362)
CAPITAL SHARE TRANSACTIONS		
Sale of shares:		
Investor Shares	54,851,664	52,157,159
A Shares	614,029	495,798
Reinvestment of distributions:		
Investor Shares	4,913,643	2,420,510
A Shares	28,684	2,710
Redemption of shares:		
Investor Shares	(11,875,329)	(15,775,082)
A Shares	(25,219)	(37,201)
Redemption fees	14,374	10,155
Increase in Net Assets from Capital Share Transactions	48,521,846	39,274,049
Increase in Net Assets	40,668,642	63,490,484
NET ASSETS		
Beginning of Period	164,359,027	100,868,543
End of Period (Including line (a))	\$ 205,027,669	\$ 164,359,027
SHARE TRANSACTIONS		
Sale of shares:		
Investor Shares	3,545,517	3,353,252
A Shares	39,922	30,902
Reinvestment of distributions:		
Investor Shares	317,980	159,532
A Shares	1,855	179
Redemption of shares:		
Investor Shares	(761,399)	(1,029,404)
A Shares	(1,611)	(2,579)
Increase in Shares	3,142,264	2,511,882
(a) Undistributed (distributions in excess of) net investment income.	\$ (25,036)	\$ 1,068,800

AUXIER FOCUS FUND

FINANCIAL HIGHLIGHTS

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

	For the Six Months Ended December 31, 2011	For the Years Ended June 30,				
		2011	2010	2009(a)	2008	2007
INVESTOR SHARES						
NET ASSET VALUE, Beginning of Period	\$ 16.45	\$ 13.49	\$ 12.16	\$ 14.22	\$ 17.06	\$ 14.76
INVESTMENT OPERATIONS						
Net investment income (b)	0.09	0.26	0.32	0.19	0.18	0.38
Net realized and unrealized gain (loss)	(0.54)	3.00	1.27	(1.77)	(2.24)	2.66
Total from Investment Operations	(0.45)	3.26	1.59	(1.58)	(2.06)	3.04
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	(0.16)	(0.29)	(0.26)	(0.16)	(0.31)	(0.27)
Net realized gain	(0.23)	(0.01)	—	(0.32)	(0.47)	(0.47)
Total Distributions to Shareholders	(0.39)	(0.30)	(0.26)	(0.48)	(0.78)	(0.74)
REDEMPTION FEES (b)	—(c)	—(c)	—(c)	—(c)	—(c)	—(c)
NET ASSET VALUE, End of Period	\$ 15.61	\$ 16.45	\$ 13.49	\$ 12.16	\$ 14.22	\$ 17.06
TOTAL RETURN	(2.64)%(d)	24.35%	12.99%	(10.92)%	(12.56)%	21.11%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of						
Period (000's omitted)	\$203,774	\$163,699	\$100,712	\$84,660	\$103,664	\$116,774
Ratios to Average Net Assets:						
Net investment income	1.16%(e)	1.68%	2.29%	1.53%	1.10%	2.40%
Net expense	1.25%(e)	1.25%	1.30%	1.35%	1.35%	1.35%
Gross expense (f)	1.25%(e)	1.25%	1.30%	1.35%	1.36%	1.36%
PORTFOLIO TURNOVER RATE	4%(d)	20%	15%	24%	19%	16%

(a) Effective November 1, 2008, C Shares were reclassified as Investor Shares. For the Period July 1, 2008, through November 1, 2008, total return for C Shares was (12.68)%. for the aforementioned period, the annualized gross expenses and net expenses ratios were 2.35% and 2.10%, respectively.

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

(c) Less than \$0.01 per share.

(d) Not annualized.

(e) Annualized.

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

AUXIER FOCUS FUND

FINANCIAL HIGHLIGHTS

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

	For the Six Months Ended December 31, 2011	For the Year Ended June 30,				
		2011	2010	2009	2008	2007
A SHARES						
NET ASSET VALUE, Beginning of Period	\$ 16.45	\$ 13.49	\$ 12.17	\$ 14.22	\$ 17.07	\$ 14.77
INVESTMENT OPERATIONS						
Net investment income (a)	0.15	0.25	0.32	0.18	0.17	0.41
Net realized and unrealized gain (loss)	(0.60)	3.01	1.26	(1.75)	(2.24)	2.63
Total from Investment Operations	(0.45)	3.26	1.58	(1.57)	(2.07)	3.04
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	(0.16)	(0.29)	(0.26)	(0.16)	(0.31)	(0.27)
Net realized gain	(0.23)	(0.01)	—	(0.32)	(0.47)	(0.47)
Total Distributions to Shareholders	(0.39)	(0.30)	(0.26)	(0.48)	(0.78)	(0.74)
REDEMPTION FEES (a)	—(b)	—(b)	—(b)	—(b)	—(b)	—(b)
NET ASSET VALUE, End of Period	\$ 15.61	\$ 16.45	\$ 13.49	\$ 12.17	\$ 14.22	\$ 17.07
TOTAL RETURN (c)	(2.64)%(d)	24.35%	12.90%	(10.85)%	(12.61)%	21.10%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of Period (000's omitted)	\$1,254	\$660	\$157	\$148	\$208	\$399
Ratios to Average Net Assets:						
Net investment income	1.98%(e)	1.61%	2.29%	1.49%	1.08%	2.59%
Net expense	1.25%(e)	1.25%	1.30%	1.35%	1.35%	1.35%
Gross expense (f)	1.50%(e)	1.50%	1.55%	1.60%	1.60%	1.60%
PORTFOLIO TURNOVER RATE	4%(d)	20%	15%	24%	19%	16%

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

(b) Less than \$0.01 per share.

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

(d) Not annualized.

(e) Annualized.

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

Note 1. Organization

The Auxier Focus Fund (the “Fund”) is a diversified portfolio of Forum Funds (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940 (the “Act”), as amended. 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 two classes of shares: Investor Shares and A Shares. A Shares are offered at net asset value plus a maximum sales charge of 5.75%. A Shares are also subject to contingent deferred sales charge (“CDSC”) of 1.00% on purchases without an initial sales charge and redeemed less than one year after they are purchased. Investor Shares are not subject to a sales charge. Investor Shares and A Shares commenced operations on July 9, 1999 and July 8, 2005, respectively. The Fund’s investment objective is to provide long-term capital appreciation.

On August 27, 2008, the Board of Trustees of the Trust approved the conversion of the Fund’s C Shares into Investor Shares. On November 1, 2008, each shareholder of C Shares received Investor Shares in a dollar amount equal to their investment in C Shares as of that date.

Note 2. Summary of Significant Accounting Policies

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

Security Valuation – Exchange-traded securities and over-the-counter securities are valued using the last quoted sale or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and ask price provided by independent pricing services. Non-exchange traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale at the mean of the last bid and ask prices provided by independent pricing services. Debt securities may be valued at prices supplied by a fund’s pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics such as rating, interest rate and maturity. Shares of open-end mutual funds are valued at net asset value (“NAV”). Short-term investments that mature in 60 days or less may be valued at amortized cost.

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

The Fund has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various “inputs” used to determine the value of the Fund’s investments. These inputs are summarized in the three broad levels listed below:

Level 1 — quoted prices in active markets for identical assets

Level 2 — other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 — significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

The aggregate value by input level, as of December 31, 2011, for the Fund’s investments is included at the end of the Fund’s Schedule of Investments.

Security Transactions, Investment Income and Realized Gain and Loss – Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Foreign dividend income is recorded on the ex-dividend date or as soon as possible after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding taxes, which are accrued as applicable. Interest income is recorded on an accrual basis. Premium is amortized and discount is accreted using the effective interest method. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

Foreign Currency Translations – Foreign currency amounts are translated into U.S. dollars as follows: (1) assets and liabilities at the rate of exchange at the end of the respective period; and (2) 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.

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

As of December 31, 2011, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. The Fund's federal tax returns filed in the three-year period ended June 30, 2011, remain subject to examination by the Internal Revenue Service.

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

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.

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

Note 3. Fees and Expenses

Investment Adviser – Auxier Asset Management LLC (the "Adviser"), is the investment adviser to the Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee from the Fund at an annual rate of 1.25% of the Fund's average daily assets.

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Under the terms of the Investment Advisory Agreement, the Adviser provides investment advisory services to the Fund and is obligated to pay all expenses of the Fund except any expenses they are authorized to pay under Rule 12b-1, brokerage fees and commissions, borrowing costs, taxes, certain compensation expenses of the Trustees, 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 or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) (“Atlantic”) or their affiliates. The Fund has adopted a Distribution Plan (the “Plan”) for A Shares of the Fund in accordance with Rule 12b-1 of the Act. Under the Plan, the Fund pays the Distributor and/or any other entity as authorized by the Board a fee of up to 0.25% of the average daily net assets of A Shares. The Distributor had no role in determining the investment policies or which securities are to be purchased or sold by the Trust or its Funds.

For the period ended December 31, 2011, there were \$32,771 in front-end sales charges assessed on the sale of A Shares and no contingent deferred sales charges were assessed on the sale of A Shares. The Distributor received \$4,863 of the total front-end sales charges.

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

Trustees and Officers – The Trust pays each independent Trustee an annual retainer fee of \$45,000 for service to the Trust (\$66,000 for the Chairman). In addition, the Chairman receives a monthly stipend of \$500 to cover certain expenses incurred in connection with his duties to the Trust. The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees’ fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

Note 4. Expense Reimbursements and Fees Waived

The Adviser has contractually agreed to waive a portion of its fees and reimburse expenses through October 31, 2012, to the extent necessary to maintain the total operating expenses at 1.25% of average daily net assets of the Investor Shares and A Shares. These contractual waivers may be changed or eliminated at any time with consent of the Board. For the period ended December 31, 2011, expenses waived were \$3,698.

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the period ended December 31, 2011, were \$28,974,556 and \$5,001,140, respectively.

Note 6. Federal Income Tax and Investment Transactions

As of June 30, 2011, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$	1,225,893
Undistributed Long-Term Gain		2,183,266
Unrealized Appreciation		22,633,176
Total	\$	<u>26,042,335</u>

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

Note 7. Recent Accounting Pronouncements

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

Note 8. Regulated Investment Company Modernization Act

The Regulated Investment Company Modernization Act of 2010 (the “Modernization Act”) was enacted on December 22, 2010. The Modernization Act makes changes to several of the federal income and excise tax provisions impacting the Fund. In general, the provisions of the Modernization Act will be effective for the Fund's fiscal year ending June 30, 2012. The Modernization Act provides several benefits, including unlimited carryover on future capital losses, simplification provisions on asset diversification and/or qualifying income tests, and several provisions aimed at preserving the character of distributions made by a fiscal year regulated investment company. Relevant information regarding the impact of the Modernization Act on the Fund, if any, will be included in the June 30, 2012, annual report.

Note 9. Subsequent Events

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact and the Fund has had no such events.

Investment Advisory Agreement Approval

At the December 16, 2011 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement pertaining to the Fund (the “Advisory Agreement”). In evaluating the Advisory Agreement for the Fund, the Board reviewed materials furnished by the Adviser and Atlantic, including information regarding the Adviser, its personnel, operations and financial condition. Specifically, the Board considered, among other matters: (1) the nature, extent and quality of the services to be provided to the Fund by the Adviser, including information on the investment performance of the Adviser; (2) the costs of the services to be provided and profitability to the Adviser with respect to its relationship with the Fund; (3) the advisory fee and the total expense ratio of the Fund compare to relevant peer groups of funds; (4) the extent to which economies of scale would be realized as the Fund grows and whether the advisory fee would enable the Fund’s investors to share in the benefits of economies of scale; and (5) other benefits received by the Adviser from its relationship with the Fund. In their deliberations, the Board did not identify any particular information that was all-important or controlling and attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

Nature, Extent and Quality of Services

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

Costs of Services and Profitability

The Board considered information provided by the Adviser regarding its costs of services and its profitability with respect to the Fund. In this regard, the Board considered the Adviser’s resources devoted to the Fund as well as the Adviser’s discussion of costs and profitability. Based on these and other applicable considerations, the Board concluded that the Adviser’s profits attributable to management of the Fund were not a material factor in approving the Agreement.

Performance

The Board reviewed the performance of the Fund and the Adviser’s discussion of its investment philosophy. The Board considered the Fund’s performance over the one-year, three-year, five-year and since inception (annualized) periods ended November 30, 2011. The Board noted that the Fund outperformed its benchmark, the S&P 500 Index, for both the one-year period and since inception. Given, among other things, the Fund’s performance during those periods, the Board concluded that the Fund’s performance was reasonable relative to its benchmark and that the Fund and its shareholders could benefit from the Adviser’s management of the Fund.

Compensation

The Board considered the Adviser’s compensation for providing advisory services to the Fund and analyzed comparative information on fee rates, expenses and performance of similar mutual funds. The Board noted that the Fund’s actual advisory fee rate was the highest in its Lipper Inc. peer group. The Board recognized, however, that the fee rate effectively would be reduced by administration, transfer agency, fund accounting, compliance, custody and Trustee fees, all of which are paid by the Adviser. The Board also noted that the Fund’s actual total expense ratio was higher than the median of its Lipper Inc. peer groups. The Board considered that under the Advisory Agreement the Adviser has agreed to limit contractually total annual fund operating expenses of each class of the Fund through at least October 31, 2012 to 1.25% of average daily net assets. Based on the foregoing, the Board concluded that the Adviser’s advisory fee rate charged to the Fund appeared to be within a reasonable range in light of the services it provides to the Fund, including the payment of all Fund expenses.

Economies of Scale

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

Other Benefits

The Board noted the Adviser's representation that the Adviser does not expect to receive any kind of benefit or compensation from its relationship with the Fund, other than its contractual advisory fees. Based on the foregoing representation, the Board concluded that other benefits received by the Adviser from its relationship with the Fund were not a material factor to consider in approving the continuation of the Advisory Agreement.

Conclusion

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

Proxy Voting Information

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (877) 328-9437, on the Fund's website at www.auxierasset.com and on the U.S. Securities and Exchange Commission's (the "SEC") website at www.sec.gov. The Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (877) 328-9437 and on the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. 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, exchange fees, and CDSC fees, and (2) ongoing costs, including management fees, 12b-1 fees, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund, and to compare these costs with the ongoing costs of investing in other mutual funds.

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

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.

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) on purchase payments on certain classes, redemption fees, exchange fees, and CDSC 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 were included, your costs would have been higher.

	Beginning Account Value July 1, 2011	Ending Account Value December 31, 2011	Expenses Paid During Period*	Annualized Expense Ratio*
Investor Shares				
Actual	\$ 1,000.00	\$ 973.56	\$ 6.20	1.25%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,018.85	\$ 6.34	1.25%
A Shares				
Actual	\$ 1,000.00	\$ 973.56	\$ 6.20	1.25%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,018.85	\$ 6.34	1.25%

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

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Auxier Focus Fund

FOR MORE INFORMATION

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This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's risks, objectives, fees and expenses, experience of its management, and other information.