Auxier Focus Fund

Semi-Annual Report

December 31, 2009

(Unaudited)

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AUXIER FOCUS FUND
PERFORMANCE UPDATE
December 31, 2009

AUXFX RETURNS VS. S&P 500 INDEX

	Auxier Focus Fund	S&P 500 Index	Difference*
09/30/09 – 12/31/09	4.53%	6.04%	-1.51
12/31/08 – 12/31/09	24.76%	26.46%	-1.70
12/31/07 – 12/31/08	-24.52%	-37.00%	12.48
12/31/06 – 12/31/07	5.71%	5.49%	0.22
12/31/05 – 12/31/06	11.75%	15.79%	-4.04
12/31/04 – 12/31/05	4.58%	4.91%	-0.33
12/31/03 – 12/31/04	10.73%	10.87%	-0.14
12/31/02 – 12/31/03	26.75%	28.69%	-1.94
12/31/01 – 12/31/02	-6.79%	-22.10%	15.31
12/31/00 – 12/31/01	12.67%	-11.88%	24.55
12/31/99 – 12/31/00	4.05%	-9.10%	13.15
Since Inception 7/9/99	83.67%	-4.27%	87.94

* in percentage points

Average Annual Returns for the period ended 12/31/09	1 Year	3 Year	5 Year	10 Year	Since Inception
Auxier Focus Fund (Investor Shares)	**24.76%**	**(0.15)%**	**3.08%**	**5.96%**	**5.97% (7/9/99)**
S&P 500 Index	**26.46%**	**(5.63)%**	**0.42%**	**(0.95)**	**(0.42)%**

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 1.25%. The Fund's adviser has contractually agreed to maintain annual operating expenses at 1.25%, which is in effect until October 31, 2010. The Fund charges a 2.00% 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.

The recent growth rate in the stock market has helped to produce short-term returns that are not typical and may not continue in the future. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by calling (877) 328-9437 or visiting the Fund's website. Please read the prospectus carefully before you invest.

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.

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 smaller companies which generally carry greater risk than is customarily associated with larger companies for various reasons such as narrower markets, limited financial resources and less liquid stock. 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. Foreside Fund Services, LLC, distributor.

Market Commentary

Auxier Focus Fund (Fund) ended the fourth quarter 2009 with a return of 4.53%, versus 6.04 % for the Standard and Poor's 500 Index (S&P). For the full year the Fund returned 24.76%, versus 26.46% for the S&P. The Fund's stock market exposure for the year averaged between 70-75%, with the balance in corporate bonds and cash. The equity component of the Fund was up over 28%. Long term, the Fund outperformed the S&P by 87 percentage points since our 1999 launch. The Fund's Morningstar ratings and rankings are as follows:

> Morningstar awards us its Morningstar Overall Rating of five stars in the Large Value Category as of 12/31/09. The Fund received 5 stars in the 3, 5 and 10 year periods and was rated among 1104, 912 and 459 funds, respectively. *The Overall Rating is derived from a weighted average of the risk adjusted performance figure associated with its 3, 5 and 10 year Morningstar Rating metrics.*
>
> The Fund outperformed 98% of its peers for the 3-year period in the Morningstar Large Value Category. *As of 12/31/09, the Fund's 10, 5, 3 and 1 year Morningstar rankings are, respectively, 15 out of 459 funds; 46 out of 912 funds; 19 out of 1104 funds; and, 509 out of 1272 funds. Morningstar rankings are based on a fund's total return performance.* ***Past performance is not an indicator of future results. The Fund may have experienced negative performance during one or all of the time periods listed.***

Our goal is to materially outperform in down markets and match up markets. We are mindful that a 50% decline requires a 100% recovery to break even. A 90% decline requires a 1000% recovery. We strive to adhere to a disciplined, systematic, low-risk approach based on highly favorable odds. We also believe investors need to be well-compensated for the risk taken.

In 2009, massive U.S. government stimulus (four times greater than in all post-war recessions combined) led to rapid narrowing of credit spreads. As we commented in the last letter, the liquidity crisis presented us with unprecedented bargains in corporate debt—especially in the higher risk names. That play is largely over, as spreads on the highest risk bonds narrowed from a high of 21% to under 7% recently. That's the benefit of being a business analyst and studying the entire capital structure of enterprises. Our years of dedicated research and cumulative balance sheet knowledge provide huge advantages in times of distress because we are prepared for bargains as they unfold. It is necessary to stick with a game plan to enjoy the fruits of compounding. We have found that investors need a proven, understandable approach to stay the course during challenging markets. To win, you must first finish.

Profiting on Fears of Nationalizations

Recall how in early 2009 stock markets were hitting lows in the face of shrinking liquidity and rising fears of bank nationalizations. Free markets detest government takeovers of private industry. The threat of nationalized healthcare further added to the gloom. Back in 1994, when Hillary Clinton proposed government-run healthcare, we loaded up on the industry's stocks as they got pummeled in anticipation of the worst-case scenario. Those bargains provided us with material outperformance for the following three years. Similarly, this past year we were able to buy both the stocks and bonds of health insurers below the cost of liquidation. We like to invest when prices are discounting "horrible." The move to just a "bad" outlook can be extremely rewarding. Buying when the outlook is "good" and hoping for "great" is usually too expensive. Ironically, prices resulting from hopelessness can be safer than those from euphoria, which can be deadly. The Nasdaq Composite Index over the past ten years is down 45% starting from the point of extreme elation. Optimistic price levels also contributed to the worst ten-year returns for the Standard and Poor's 500 in over 200 years. Price and value do matter more than people think.

Time-Honored Observations and Lessons

It is good to look back over the past 18 months and revisit some investing basics:

- One decision investing—buy and forget—can be costly. Investing is never easy. Autopilot does not work.

- This time is not different; we have seen it before. Human nature does not change. There are no new eras. All bubbles end the same way: in disaster.

- Over the long run, businesses that are nurtured return the favor. One dollar invested in stocks in 1871 is now worth over $10,000, thanks to reinvestment of dividends (adjusted for inflation).

- Borrowing short term to fund long term asset purchases can be fatal in a credit crunch.

- Every class of investment needs to be aggressively monitored as to fundamentals and price. This is even more important in a competitive global economy.

- Compounding is the priority. Imploding bubbles act to torpedo the portfolio. Popularity must be pruned.

- Larger funds are not safer, because they are less nimble in down markets. In fact, index funds give the greatest weighting to the most popular (*and typically overpriced*) companies.

- There are no easy shortcuts or formulas. Day-to-day homework is critical as is the ability to think and reason independently. A skeptical contrarian nature is needed.

- Understanding history and psychology is critical in navigating emotional auction markets.

- A free market system works; socialism does not. Contrasting Brazil with Venezuela, one sees the benefits of a free market vs. a socialistic leadership. Venezuela, which has nationalized industries such as oil, steel and cement, is looking at 45% inflation for 2010.

Perception vs. Reality on Debt Defaults

Investors generally view government and municipal bonds as low risk. Many, until recently, also thought houses only went up in value. The reality? Solvency of government entities is threatened by growth in government unions and excessive borrowings in the face of lower income, property and sales taxes. Indeed, sovereign debt default is extremely common in world history; only a handful of countries have consistently honored their obligations. Greece is currently making such headlines, which are hardly new. From 1800 until well after World War II, Greece found itself in continual default (*This Time is Different: Eight Centuries of Financial Folly*). Given the current free-spending leadership in Congress and the White House (only 7% of Obama's cabinet has worked in the private sector), the United States could easily find itself facing credit downgrades if not careful. The result would be much higher financing costs.

Uncle Sam's Exposure to Housing

The U.S. government has shifted the sub-prime mortgage problem from the banking sector to the Federal Housing Authority (FHA), where 3.5% down payments are still allowed. No skin in the game is a recipe for disaster. Over 85% of home loans originated over the past seven months have been FHA loans. The agency is allowed to have an absurdly low capital level—less than 2% of assets—that pales only in comparison with the 80-to-1 leverage ratios at Fannie Mae and Freddie Mac. Such leverage has distorted the housing market while materially inflating Federal debt loads and bad assets. Fannie Mae's balance sheet is exploding because it now must add back off-balance sheet loans. There's still a shadow inventory of 1.7 million homes in some stage of foreclosure—45% more than the official 3.75 million burden with which banks are wrestling (*American Banker*). Government involvement has gummed up the clearing mechanism needed to start the recovery process.

Looking back over the past century, adjusted for inflation, it becomes apparent how the easy financing craze contributed to house appreciation. Between 1996 and 2006, the cumulative real price increase in housing was 92%—more than three times the 27% comparable real return from 1890 to 1996 (*This Time is Different: Eight Centuries of Financial Folly*).

Aggressive Credit Growth in China

China's economic revolution is well known and popular. But their $586 billion stimulus program may be the shaky foundation for another crisis down the road. Financial panics and collapses are usually preceded by acceleration in borrowed money. Debt fueled booms can provide false short-term confirmation of a government's policies. In 2009, the Chinese government mandated over $1.4 trillion in bank lending, up 30%, and is looking at a further increase of 18% in 2010 (*Wall Street Journal*). One has to question the quality of loans at that frenetic pace. Can there be that many attractively priced opportunities to absorb such volume? This aggressive lending has driven up Chinese real estate as home prices are trading between 10-20 times the average annual household income. Another troubling development: Chinese banks have also discovered the wonders of "off balance sheet financing" to lever up further.

Perils of Overproduction

According to Trim Tabs[1], $256 billion flowed into commodities in 2009. Commodities have historically traded close to the cost of production. Today's market is very confusing and risky. Oil, priced at $75-$80 a barrel, trades at double the cost of production. Yet wheat recently dropped in price to 200-year lows adjusted for inflation (*Progressive Farmer*). With technological advances, the risk in these areas is massive overproduction. Strong pricing is so rare that when times are good, forces of supply build much faster than in the past. Again, extremely easy money is distorting reality and can ultimately lead to sloppy capital allocation. Another example: just as interest rates dropped to the lowest levels in 40 years (highest bond prices), $421 billion flowed into bonds while $35 billion was withdrawn from domestic stocks.

Favorite Out of Favor Areas

Despite the recent rally, there are industries that are still unloved and represent potential rewarding investments.

- Many topnotch online education stocks are trading at their lowest valuations in a decade. Fears of government regulation and financing issues have hampered the group. Yet there is an increasing need for specialized education and retraining. Industries are constantly restructuring in today's competitive, knowledge-based global economy. The fundamentals for online education continue to be strong.

- The S&P Health Care Index is trading at a 19% discount to the market, again, in fear of a government takeover. Over time, the sector has traded at a premium. We think it will again.

- Many grocery chains have underperformed this past year. Wal-Mart Stores, Inc. is one of the worst performing stocks off the March 2009 lows. Deflation in food and gasoline negatively impacted the sector. Yet strong international franchises sell necessities into the growing global middle class. So there is unrecognized value in powerful distribution models that can reach the masses.

- About $1.5 trillion of commercial real estate loans come due over the next 24 months at appraised values far lower than the original purchase price (*American Banker*). The uncertainty could lead, over the next year, to some compelling price points among downtrodden regional and community banks.

- Refiners have been pummeled by sluggish demand for gasoline and diesel plus increased global capacity. The near-term outlook is bleak, with prices below the marginal cost of production. The stocks sell at steep discounts to book value. Industry leader Valero Energy, Inc. has declined from a high of $78 to a recent low near $15. Forces are at work to reduce excess capacity, at the same time the economy is starting to show increased strength.

[1] Trim Tabs is an independent institutional research firm focused on equity market liquidity.

- Bonds of natural gas producers have been cheap because new shale discoveries are promising but expensive. Yet these bonds have potential for upgrades as equity investors and major oil companies are attracted to the industry.

Instead of trying to predict markets, we strive to identify businesses with the managerial ethics and drive to endure seemingly insurmountable economic conditions. We like managements that nurture business instead of rob it. From an investment standpoint, it is hard to beat a well-run business, purchased at a compelling bargain price, with the potential of exceptional long-term results. Even though markets have rallied, U.S. stocks had declined 57% off their 2007 highs. So a 50% increase off that base still means the market is down 35%. This is a good backdrop to deploy capital astutely, always vigilant to avoid euphoric bubble conditions.

Your trust and support is appreciated.

Jeff Auxier

As of December 31, 2009, the Fund held those securities mentioned in the letter as follows: Wal-Mart Stores, Inc. (2.6%); Valero Energy Corp. (0.4%).

There can be no guarantee of success with any technique, strategy, or investment. All investing involves risk, including the loss of principal. The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 widely held common stocks. The Nasdaq Composite Index is a market-value weighted index of all common stocks listed on Nasdaq. 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.

For the period ended December 31, 2009, the Fund's Overall Morningstar Rating was 5 stars. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Past performance is no guarantee of future results.

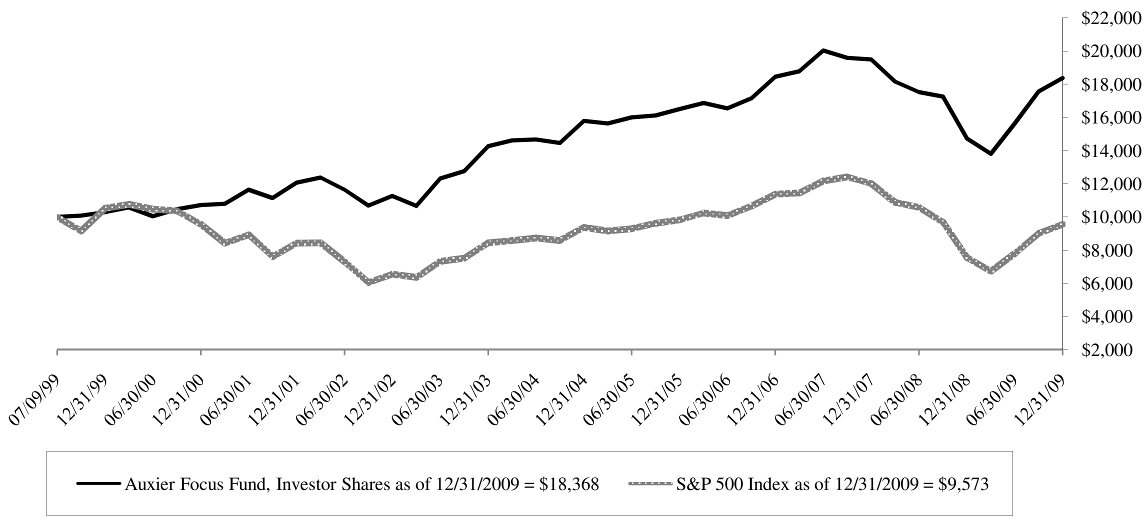
COMPARISON OF CHANGE IN VALUE OF A $10,000 INVESTMENT

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 (''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) 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% contingent deferred sales charge 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. Both Fund share classes charge a 2.00% redemption fee on shares redeemed within 180 days of purchase. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Investor Shares and A Shares are 1.25% and 1.60% 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 1.25% for both classes of shares which is in effect until October 31, 2010. 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 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.

Average Annual Total Return as of 12/31/09	1 Year	5 Years	Since Inception (1)
Investor Shares	24.76%	3.08%	5.97%
S&P 500 Index (since 07/09/99)	26.46%	0.42%	(0.42)%
A Shares (with sales charge) (2)(3)	24.65%	3.07%	5.97%



(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 perfomance of Investor Shares of the Fund.

(3) For A Shares, performance for the 5-year period and the since inception periods are blended average annual returns which include the returns of the Investor Shares prior to the commencement of operations of the A Shares.

Shares	Security Description	Value
Common Stock - 74.6%		
Communications - 0.0%		
4,000	News Corp., Class A	$ 54,760
Consumer Discretionary - 17.9%		
3,700	Alberto-Culver Co.	108,373
1,613	Apollo Group, Inc., Class A (a)	97,716
23,900	Bridgepoint Education, Inc. (a)	358,978
13,300	Career Education Corp. (a)	310,023
57,100	Comcast Corp., Class A	962,706
4,000	Costco Wholesale Corp.	236,680
31,050	CVS Caremark Corp.	1,000,121
2,297	Discovery Communications, Inc., Class A (a)	70,449
2,297	Discovery Communications, Inc., Class C (a)	60,916
14,800	D.R. Horton, Inc.	160,876
100	Ecolab, Inc.	4,459
13,000	FirstService Corp. (a)	248,560
37,987	Gruma S.A.B. de C.V., ADR (a)	264,769
18,250	Home Depot, Inc.	527,972
7,100	H&R Block, Inc.	160,602
40,870	Interpublic Group of Cos., Inc. (a)	301,621
7,000	ITT Educational Services, Inc. (a)	671,720
20,197	Lincoln Educational Services Corp. (a)	437,669
28,000	Lowe's Cos., Inc.	654,920
12,800	McDonald's Corp.	799,232
20,000	NIKE, Inc., Class B	1,321,400
15,250	Sally Beauty Holdings, Inc. (a)	116,662
67,885	Tesco PLC, ADR	1,396,394
27,895	The Andersons, Inc.	720,249
3,890	Time Warner Cable, Inc. (a)	161,007
15,500	Time Warner, Inc.	451,670
44,700	Unilever NV, ADR	1,445,151
30,508	Universal Technical Institute, Inc. (a)	616,262
18,234	Value Line, Inc.	457,856
49,550	Wal-Mart Stores, Inc.	2,648,447
33,377	Weight Watchers International, Inc.	973,273
8,600	Yum! Brands, Inc.	300,742
		18,047,475
Consumer Staples - 18.9%		
363,300	Alliance One International, Inc. (a)	1,772,904
35,150	Altria Group, Inc.	689,995
15,100	British American Tobacco PLC, ADR	976,366
25,532	Columbia Sportswear Co.	996,769
16,800	Diageo PLC, ADR	1,166,088
91,050	Dr. Pepper Snapple Group, Inc.	2,576,715
5,000	Helen of Troy, Ltd. (a)	122,300
29,862	Kraft Foods, Inc.	811,649
12,700	Manpower, Inc.	693,166
8,760	National Beverage Corp. (a)	121,414
5,000	Nestle SA, ADR	241,750
44,372	Paychex, Inc.	1,359,558
58,900	Philip Morris International, Inc.	2,838,391
1,721	Ralcorp Holdings, Inc. (a)	102,761
11,450	Safeway, Inc.	243,770
37,250	The Coca-Cola Co.	2,123,250
73,600	The Kroger Co.	1,511,008
39,580	The Western Union Co.	746,083
		19,093,937

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2009

Shares	Security Description		Value
Energy - 3.7%			
16,750	Chevron Corp.	$	1,289,583
15,600	ConocoPhillips		796,692
4,250	Exxon Mobil Corp.		289,808
1,200	Gazprom Neft JSC, ADR		32,820
800	Lukoil OAO, ADR		45,120
2,500	PetroChina Co., Ltd., ADR		297,400
7,800	Petroleo Brasileiro SA, ADR		371,904
2,750	Surgutneftegaz, ADR		24,447
24,100	Valero Energy Corp.		403,675
8,800	Willbros Group, Inc. (a)		148,456
			3,699,905
Financials - 7.7%			
3,200	American Express Co.		129,664
1,280	Ameriprise Financial, Inc.		49,690
33,233	Bank of America Corp.		500,489
320	Berkshire Hathaway, Inc., Class B (a)		1,051,520
40,393	Citigroup, Inc.		133,701
77,850	Marsh & McLennan Cos., Inc.		1,718,928
28,100	The Bank of New York Mellon Corp.		785,957
7,668	The Student Loan Corp.		357,099
38,418	The Travelers Cos., Inc.		1,915,521
10,324	Unum Group		201,524
24,950	Waddell & Reed Financial, Inc., Class A		761,973
7,646	Washington Federal, Inc.		147,874
			7,753,940
Health Care - 11.0%			
41,050	Alkermes, Inc. (a)		386,281
5,750	Amgen, Inc. (a)		325,278
88,897	BioScrip, Inc. (a)		743,179
13,449	Coventry Health Care, Inc. (a)		326,676
2,910	Express Scripts, Inc. (a)		251,570
22,950	GlaxoSmithKline PLC, ADR		969,637
12,150	Johnson & Johnson		782,581
7,070	LifePoint Hospitals, Inc. (a)		229,846
17,150	Merck & Co., Inc.		626,661
78,282	Pfizer, Inc.		1,423,950
6,842	Quest Diagnostics, Inc.		413,120
36,200	UnitedHealth Group, Inc.		1,103,376
29,221	WellPoint, Inc. (a)		1,703,292
30,600	Zimmer Holdings, Inc. (a)		1,808,766
			11,094,213
Industrials - 3.8%			
21,550	AGCO Corp. (a)		696,927
11,127	Blount International, Inc. (a)		112,383
7,655	Burlington Nothern Santa Fe Corp.		754,936
100	CF Industries Holdings, Inc.		9,078
28,000	General Electric Co.		423,640
9,450	Granite Construction, Inc.		318,087
4,850	Illinois Tool Works, Inc.		232,751
4,300	Portland General Electric Co.		87,763
1,000	POSCO, ADR		131,100
100	Potash Corp. of Saskatchewan, Inc.		10,850
100	Terra Nitrogen Co. LP		10,408
3,500	Textainer Group Holdings, Ltd.		59,150
3,550	The Boeing Co.		192,162
100	The Mosaic Co.		5,973
14,450	United Parcel Service, Inc., Class B		828,996
			3,874,204

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
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Shares	Security Description	Rate		Value
Information Technology - 2.7%				
28,750	Automatic Data Processing, Inc.		$	1,231,075
37,350	Dell, Inc. (a)			536,346
30,150	Microsoft Corp.			919,273
5,000	MoneyGram International, Inc. (a)			14,350
				2,701,044
Materials - 3.8%				
21,200	Alcoa, Inc.			341,744
28,700	E.I. du Pont de Nemours & Co.			966,329
550	Plum Creek Timber Co., Inc., REIT			20,768
7,100	Precision Castparts Corp.			783,485
47,350	The Dow Chemical Co.			1,308,281
14,000	Vale SA, ADR			406,420
				3,827,027
Telecommunications - 5.1%				
27,300	AT&T, Inc.			765,219
49,150	SK Telecom Co., Ltd., ADR			799,179
13,760	Telecom Corp. of New Zealand, Ltd., ADR			123,702
30,300	Telefonos de Mexico SAB de CV, ADR			502,374
57,900	Tele Norte Leste Participacoes SA, ADR			1,240,218
59,000	Telmex International SAB de CV, ADR			1,047,250
20,700	Verizon Communications, Inc.			685,791
				5,163,733
Total Common Stock (Cost $70,968,769)				75,310,238
Non-Convertible Preferred Stock - 0.5%				
Utilities - 0.5%		Rate		
305	AEP Texas Central Co.	4.00 %		19,691
1,500	Connecticut Light & Power Co., Series 1947	1.90		43,781
1,000	Connecticut Light & Power Co., Series 1947	2.00		30,719
1,500	Connecticut Light & Power Co., Series 1949	3.90		44,672
1,600	FirstService Corp.	7.00		33,200
1,210	Great Plains Energy, Inc.	4.50		94,440
4,000	Hawaiian Electric Co., Inc., Series C	4.25		57,560
300	Indianapolis Power & Light Co.	4.00		21,441
78	MidAmerican Energy Co.	3.30		4,717
80	MidAmerican Energy Co.	3.90		5,385
200	NSTAR Electric Co.	4.25		13,475
1,000	Pacific Enterprises	4.50		76,000
400	Peco Energy Co., Series A	3.80		26,300
945	Public Service Electric & Gas Co., Series A	4.08		67,733
300	Westar Energy, Inc.	4.25		20,306
Total Non-Convertible Preferred Stock (Cost $485,110)				559,420
Exchange Traded Funds - 0.3%				
10,000	iShares MSCI Germany Index Fund			224,400
2,000	ProShares UltraShort 20+ Year Treasury Fund			100,000
Total Exchange Traded Funds (Cost $183,864)				324,400

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2009

Principal		Rate	Maturity	Value
Asset Backed Obligations - 0.0%				
$ 2,154	Scotia Pacific Co., LLC, Series B (b) (d) (Cost $1,944)	6.55 %	07/20/28	$ -
Corporate Bonds - 21.9%				
Consumer Discretionary - 0.4%				
315,000	Time Warner, Inc.	6.88	05/01/12	345,031
Consumer Staples - 6.0%				
1,180,000	American Stores Co.	7.90	05/01/17	1,118,050
1,110,000	Dr. Pepper Snapple Group, Inc.	6.12	05/01/13	1,215,723
350,000	General Mills, Inc.	5.70	02/15/17	378,508
535,000	Kraft Foods, Inc.	5.63	11/01/11	568,452
1,225,000	Smithfield Foods, Inc., Series B	7.75	05/15/13	1,194,375
115,000	SUPERVALU, Inc.	7.50	11/15/14	117,012
375,000	SUPERVALU, Inc.	8.00	05/01/16	382,500
985,000	Tyson Foods, Inc.	8.25	10/01/11	1,058,875
				6,033,495
Energy - 3.2%				
1,170,000	Chesapeake Energy Corp	6.63	01/15/16	1,164,150
100,000	Constellation Energy Group, Inc.	4.55	06/15/15	100,390
190,000	El Paso Corp. (d)	6.70	02/15/27	167,200
770,000	El Paso Performance-Linked Trust (e)	7.75	07/15/11	793,224
970,000	The Williams Co., Inc.	7.13	09/01/11	1,037,052
				3,262,016
Financials - 3.0%				
75,000	American Express Credit Corp., Series C	7.30	08/20/13	84,359
166,370	FINOVA Group, Inc. (b)	7.50	11/15/09	10,190
455,000	Hartford Financial Services Group, Inc.	5.25	10/15/11	469,769
2,370,000	Hartford Financial Services Group, Inc.	5.50	10/15/16	2,319,019
182,000	Hartford Financial Services Group, Inc.	6.30	03/15/18	181,779
				3,065,116
Health Care - 1.3%				
230,000	Health Management Associates, Inc.	6.13	04/15/16	216,775
515,000	UnitedHealth Group, Inc.	4.88	03/15/15	528,675
430,000	WellPoint, Inc.	5.00	12/15/14	447,825
130,000	WellPoint, Inc.	5.25	01/15/16	131,393
				1,324,668
Industrials - 5.4%				
2,832,000	Church & Dwight Co., Inc.	6.00	12/15/12	2,895,720
740,000	General Electric Capital Corp. Series MTN	5.63	09/15/17	763,556
180,000	Johnson Controls, Inc.	5.25	01/15/11	188,941
495,000	Johnson Controls, Inc.	4.88	09/15/13	509,563
94,000	Waste Management, Inc.	7.38	08/01/10	97,385
71,000	Waste Management, Inc.	7.65	03/15/11	75,247
835,000	Waste Management, Inc.	6.38	11/15/12	919,200
				5,449,612
Materials - 2.0%				
895,000	Dow Chemical Co.	5.70	05/15/18	910,694
410,000	Weyerhaeuser Co.	6.75	03/15/12	434,606
203,000	Weyerhaeuser Co.	9.00	10/01/21	205,663
505,000	Weyerhaeuser Co.	7.95	03/15/25	490,538
				2,041,501

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2009

Principal		Rate	Maturity		Value
Utilities - 0.6%					
255,000	Energy Future Holdings Corp.	9.75 %	10/15/19	$	255,522
312,000	Energy Future Intermediate Holding Co., LLC	9.75	10/15/19		312,638
27,000	Nevada Power Co., Series L	5.88	01/15/15		29,007
					597,167
Total Corporate Bonds (Cost $20,080,050)					22,118,606
Foreign Municipal Bonds - 1.1% (c)					
750,000	Ontario Hydro Generic Residual Strip (Canada) Series OC20	5.51	10/01/20		422,742
356,000	Ontario Hydro Generic Residual Strip (Canada)	5.47-5.65	11/27/20		198,789
605,000	Ontario Hydro Generic Residual Strip (Canada)	5.61	10/15/21		319,898
235,000	Ontario Hydro Generic Residual Strip (Canada)	5.75	08/18/22		118,528
Total Foreign Municipal Bonds (Cost $754,154)					1,059,957
Municipal Bonds - 0.2%					
190,000	California State Refunding Bonds (Cost $188,273)	5.00	03/01/18		198,366
Shares					
Money Market Fund - 0.0%					
31	Schwab Government Money Fund 0.01% (f) (Cost $31)				31
Total Investments - 98.6% (Cost $92,662,195)*				$	99,571,018
Cash - 1.4%					1,418,281
Other Assets & Liabilities, Net - 0.0%					(41,163)
NET ASSETS - 100.0%				**$**	**100,948,136**

ADR American Depositary Receipt.
MTN Medium Term Note.
PLC Public Limited Company.
REIT Real Estate Investment Trust.

(a) Non-income producing security.
(b) Security is currently in default on scheduled principal or interest payments.
(c) Zero coupon bond. Interest rate presented is yield to maturity.
(d) Security fair valued in accordance with procedures adopted by the Board of Trustees.
At the period end, the value of these securities amounted to $167,200 or 0.2% of net assets.
(e) Security exempt from registration under Rule 144A under the Securities Act of 1933.
At the period end, the value of these securities amounted to $793,224 or 0.8% of net assets.
(f) Represents 7-day effective yield as of December 31, 2009.

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

Gross Unrealized Appreciation	$	15,538,877
Gross Unrealized Depreciation		(8,630,054)
Net Unrealized Appreciation	$	6,908,823

The following is a summary of the inputs used to value the Fund's net assets as of December 31, 2009:

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

	Level 1	Level 2	Level 3	Total
Common Stocks				
Communications	$ 54,760	$ -	$ -	$ 54,760
Consumer Discretionary	18,047,475	-	-	18,047,475
Consumer Staples	19,093,937	-	-	19,093,937
Energy	3,699,905	-	-	3,699,905
Financials	7,753,940	-	-	7,753,940
Health Care	11,094,213	-	-	11,094,213
Industrials	3,874,204	-	-	3,874,204
Information Technology	2,701,044	-	-	2,701,044
Materials	3,827,027	-	-	3,827,027
Telecommunications	5,163,733	-	-	5,163,733
Preferred Stock - Utilities	559,420	-		559,420
Exchange Traded Funds	324,400	-	-	324,400
Asset Backed Obligations	-	-	-	-
Corporate Bonds	-	21,951,406	167,200	22,118,606
Foreign Municpal Bonds	-	1,059,957	-	1,059,957
Municipal Bonds	-	198,366	-	198,366
Money Market Fund	-	31	-	31
TOTAL	$ 76,194,058	$ 22,209,760	$ 167,200	$ 99,571,018

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

	Preferred Stock	Asset Backed Obligations	Corporate Bonds	Total
Balance as of 06/30/09	$ 18,681	$ 1,982	$ -	$ 20,663
Accrued Accretion / (Amortization)	-	-	-	-
Realized Gain (Loss)	-	-	-	-
Change in Unrealized Appreciation / (Depreciation)	(991)	(1,982)	752	(2,221)
Net Purchase / (Sales)	-	-	-	-
Transfers In / (Out)	(17,690)	-	166,448	148,758
Balance as of 12/31/09	$ -	$ -	$ 167,200	$ 167,200
Net Change in Unrealized Appreciation (Depreciation) from Investments held as of 12/31/09	$ -	$ (1,982)	$ 752	$ (1,230)

** The unrealized appreciation (depreciation) is included in net change in unrealized appreciation (depreciation) of investments in the accompanying statement of operations.

PORTFOLIO HOLDINGS **% of Net Assets**	
Common Stocks	74.6%
Preferred Stocks	0.5%
Exchange Traded Funds	0.3%
Asset Backed Obligations	0.0%
Corporate Bonds	21.9%
Foreign Municipal Bonds	1.1%
Municipal Bonds	0.2%
Money Market Fund	0.0%
Cash and Other Net Assets	1.4%
	100.0%

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2009

ASSETS		
Investments, at value (Cost $92,662,195)	$	99,571,018
Cash		1,418,281
Receivables:		
Fund shares sold		82,772
Investment securities sold		33,220
Dividends and interest		469,765
Total Assets		101,575,056
LIABILITIES		
Payables:		
Fund shares redeemed		292,593
Investment securities purchased		196,640
Dividends		38,032
Accrued Liabilities:		
Investment adviser fees		99,177
Trustees' fees and expenses		443
Distribution fees		35
Total Liabilities		626,920
NET ASSETS	$	100,948,136
COMPONENTS OF NET ASSETS		
Paid-in capital	$	94,753,746
Undistributed (distributions in excess of) net investment income		(48,102)
Accumulated net realized loss on investments and foreign currency transactions		(666,331)
Net unrealized appreciation on investments and foreign currency translations		6,908,823
NET ASSETS	$	100,948,136
SHARES OF BENEFICIAL INTEREST AT $0.000 PAR VALUE (UNLIMITED SHARES AUTHORIZED)		
Investor Shares		7,173,756
A Shares		12,108
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE		
Investor Shares (based on net assets of $100,777,960)	$	14.05
A Shares (based on net assets of $170,176)	$	14.05
A Shares Maximum Public Offering Price Per Share (net asset value per share/94.25%)	$	14.91

See Notes to Financial Statements.

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED DECEMBER 31, 2009

INVESTMENT INCOME		
Dividend income (net of foreign taxes withheld of $7,346)	$	817,697
Interest income		846,868
Total Investment Income		1,664,565
EXPENSES		
Investment adviser fees		650,419
Distribution fees:		
A Shares		192
Trustees' fees and expenses		1,783
Total Expenses		652,394
Expenses waived		(1,976)
Net Expenses		650,418
NET INVESTMENT INCOME		1,014,147
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS		
Net realized loss on investments and foreign currency transactions		(27,917)
Net change in unrealized appreciation on investments and foreign currency translations		14,117,386
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS		14,089,469
INCREASE IN NET ASSETS FROM OPERATIONS	$	15,103,616

AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended December 31, 2009	Year Ended June 30, 2009
OPERATIONS		
Net investment income	$ 1,014,147	$ 1,324,441
Net realized loss on investments and foreign currency transactions	(27,917)	(628,109)
Net change in unrealized appreciation (depreciation) on investments	14,117,386	(12,207,055)
Increase (Decrease) in Net Assets from Operations	15,103,616	(11,510,723)
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income:		
Investor Shares	(1,836,778)	(1,100,100)
A Shares	(3,091)	(2,270)
Net realized gains:		
Investor Shares	-	(2,232,463)
A Shares	-	(4,702)
Total Distributions to Shareholders	(1,839,869)	(3,339,535)
CAPITAL SHARE TRANSACTIONS		
Sale of shares:		
Investor Shares	8,800,191	12,832,552
A Shares	17,906	-
Contributions from share reclassification:		
Investor Shares (Note 1)	-	38,065
Reinvestment of distributions:		
Investor Shares	1,798,747	3,261,809
A Shares	3,091	6,972
Redemption of shares:		
Investor Shares	(7,723,197)	(20,340,642)
A Shares	(20,315)	(32,769)
C Shares	-	(59,684)
Redemptions from share reclassification:		
C Shares (Note 1)	-	(38,065)
Redemption fees	195	13,358
Increase (Decrease) in Net Assets From Capital Transactions	2,876,618	(4,318,404)
Increase (Decrease) in Net Assets	16,140,365	(19,168,662)
NET ASSETS		
Beginning of Period	84,807,771	103,976,433
End of Period (a)	$ 100,948,136	$ 84,807,771
(a) Amount includes undistributed (distributions in excess of) net investment income	$ (48,102)	$ 777,620

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

	Beginning Net Asset Value Per Share	Net Investment Income (b)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Distributions From Net Investment Income	Distributions From Net Realized Gains	Distributions Total Distributions to Shareholders	Redemption Fees (b)	Ending Net Asset Value Per Share
Investor Shares									
Six Months Ended December 31, 2009	$ 12.16	$ 0.14	$ 2.01	$ 2.15	$ (0.26)	$ -	$ (0.26)	$ - (f)	$ 14.05
Year Ended June 30, 2009 (i)	14.22	0.19	(1.77)	(1.58)	(0.16)	(0.32)	(0.48)	- (f)	12.16
Year Ended June 30, 2008	17.06	0.18	(2.24)	(2.06)	(0.31)	(0.47)	(0.78)	- (f)	14.22
Year Ended June 30, 2007	14.76	0.38	2.66	3.04	(0.27)	(0.47)	(0.74)	- (f)	17.06
Year Ended June 30, 2006	14.64	0.21	0.30	0.51	(0.18)	(0.21)	(0.39)	- (f)	14.76
Year Ended June 30, 2005	13.74	0.15	1.08	1.23	(0.08)	(0.25)	(0.33)	- (f)	14.64
A Shares									
Six Months Ended December 31, 2009	12.17	0.14	2.00	2.14	(0.26)	-	(0.26)	- (f)	14.05
Year Ended June 30, 2009	14.22	0.18	(1.75)	(1.57)	(0.16)	(0.32)	(0.48)	- (f)	12.17
Year Ended June 30, 2008	17.07	0.17	(2.24)	(2.07)	(0.31)	(0.47)	(0.78)	- (f)	14.22
Year Ended June 30, 2007	14.77	0.41	2.63	3.04	(0.27)	(0.47)	(0.74)	-	17.07
July 8, 2005 through June 30, 2006 (g) (h	14.81	0.21	0.14	0.35	(0.18)	(0.21)	(0.39)	-	14.77

(a) Annualized for periods less than one year.
(b) Calculated based on average shares outstanding for the period.
(c) Not annualized for periods less than one year.
(d) Total return does not include the effect of front-end sales charges or contingent deferred sales charges.
(e) Reflects the expense ratio excluding any waivers and/or reimbursements.
(f) Less than $0.01 per share.
(g) 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.
(h) A shares commenced operations on July 8, 2005.
(i) 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.

See Notes to Financial Statements.

			Ratios to Average Net Assets (a)			
	Total Return (c) (d)	Net Assets at End of Period (000's Omitted)	Net Investment Income	Net Expenses	Gross Expenses (e)	Portfolio Turnover Rate (c)
Investor Shares						
Six Months Ended December 31, 2009	17.68%	$ 100,778	2.10%	1.35%	1.35%	7%
Year Ended June 30, 2009 (i)	(10.92)%	84,660	1.53%	1.35%	1.35%	24%
Year Ended June 30, 2008	(12.56)%	103,664	1.10%	1.35%	1.36%	19%
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%
A Shares						
Six Months Ended December 31, 2009	17.58%	170	1.86%	1.35%	1.60%	7%
Year Ended June 30, 2009	(10.85)%	148	1.49%	1.35%	1.60%	24%
Year Ended June 30, 2008	(12.61)%	208	1.08%	1.35%	1.60%	19%
Year Ended June 30, 2007	21.10%	399	2.59%	1.35%	1.60%	16%
July 8, 2005 through June 30, 2006 (g)	2.32%	392	1.56%	1.35%	1.61%	28%

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. As of December 31, 2009, the Trust had twenty-nine 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 two classes of shares: Investor Shares and A Shares. A Shares are offered at net asset value ("NAV") plus a maximum sales charge of 5.75%. A Shares are also subject to a 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 achieve long-term capital appreciation.

Note 2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increase and decrease in net assets from operations during the fiscal 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 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 asked prices 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 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 NAV. 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 (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 an 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, 2009, 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 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. Premium and discount is amortized and accreted in accordance with GAAP. Identified cost of investments sold is used to determine the gain and loss for both financial statement and Federal income tax purposes.

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

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 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 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.

As of June 30, 2009, 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, 2009, remain subject to examination by the Internal Revenue Service.

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.

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 NAV 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.

Note 3. Advisory Fees, Servicing Fees and Other Transactions

Investment Adviser – Auxier Asset Management LLC (the "Adviser") is the investment adviser to the Fund. Pursuant to a 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 through December 31, 2009. Effective January 1, 2010, the advisory fee received by the Adviser from the Fund will change to an annual rate of 1.25% of the Fund's average daily 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 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 with Atlantic Fund Administration, LLC ("Atlantic") or their affiliates. The Fund has adopted a distribution plan for A Shares of the Fund in accordance with Rule 12b-1 of the Act ("Distribution plan"). Under the Distribution plan, the Fund pays the Distributor and any other entity as authorized by the Board a fee of 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 year ended December 31, 2009, there were no front-end or CDSC sales charges assessed on the sale of A Shares.

Other Service Providers – Atlantic provides fund accounting, fund administration and transfer agency services to the Fund.

Atlantic provides a Principal Executive Officer, Principal Financial Officer, 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 $40,000 for service to the Trust ($60,000 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

For the period July 1, 2009, through December 31, 2009, the Adviser contractually waived $1,976 of its fees to maintain the total operating expenses at 1.35% of average daily net assets of the Investor Shares and A Shares. Effective January 1, 2010, the Adviser has agreed to contractually waive a portion of its fees and reimburse expenses through October 2010, 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. This contractual waiver/reimbursement may be changed or eliminated at any time with the consent of the Board.

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments, for the six months ended December 31, 2009, were $11,954,746 and $6,620,023, respectively.

Note 6. Federal Income Tax and Investment Transactions

As of June 30, 2009, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	$ 777,620
Unrealized Appreciation (Depreciation)	(7,219,366)
Capital and Other Losses	(627,611)
Total	$(7,069,357)

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.

For tax purposes, the current year post-October loss (realized during the period November 1, 2008, through June 30, 2009) was $569,525. This loss was recognized for tax purposes on the first business day of the Fund's fiscal year, July 1, 2009.

Note 7. Share Transactions

Share transactions for the Fund were as follows:

	Six Months Ended December 31, 2009	Year Ended June 30, 2009
Sales of Shares:		
Investor Shares	653,600	1,070,517
A Shares	1,257	-
Reinvestment of distributions:		
Investor Shares	128,025	283,722
A Shares	220	605
Contributions from share reclassification:		
Investor Shares	-	3,090
Redemption of shares:		
Investor Shares	(568,329)	(1,689,078)
A Shares	(1,518)	(3,064)
C Shares	-	(4,267)
Redemption from share reclassification:		
C Shares	-	(3,051)
Increase (decrease) from share transactions	213,255	(341,526)

Note 8. Recent Accounting Pronouncement

In June 2009, the Financial Accounting Standards Board issued the "FASB Accounting Standard Codification™ and the Hierarchy of Generally Accepted Accounting Principles" ("Codification"). The FASB approved the Codification as the single source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission (the "SEC"). All guidance contained in the Codification carries an equal level of authority. The Codification supersedes all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification has become nonauthoritative. The Codification is effective for financial statements issued for interim and annual periods ending after September 15, 2009. Management has evaluated the Codification and has determined that it did not have a significant impact on the reporting of the Fund's financial statements.

In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2010-06 "Improving Disclosures about Fair Value Measurements." ASU No. 2010-06 clarifies existing disclosure and requires additional disclosures regarding fair value measurements. Effective for interim and annual reporting periods beginning after December 15, 2009, entities will be required to disclose significant transfers into and out of Level 1 and 2 measurements in the fair value hierarchy and the reasons for those transfers. Effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years, entities will need to disclose information about purchases, sales, issuances and settlements of Level 3 securities on a gross basis, rather than as a net number as currently required. Management is currently evaluating the impact ASU No. 2010-06 will have on its financial statement disclosures.

Note 9. Subsequent Events

Subsequent events occurring after the date of this report have been evaluated for potential impact to this report through February 17, 2010, and the Fund has noted no such events.

Investment Advisory Approval

At the October 8, 2009, and the December 11, 2009 Board meetings, 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 total expense ratio of the Fund compared 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

In connection with a presentation from senior representatives of the Adviser, the Board considered the quality of services provided by the Adviser under the Advisory Agreement. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at the Adviser with principal investment responsibility for the Fund's investments; the investment philosophy and decision-making processes of those professionals; the capability and integrity of the Adviser's senior management and staff; the quality of the Adviser's services with respect to regulatory compliance and compliance with client investment policies and restrictions; and the financial condition and operational stability of the Adviser. The Board also considered the adequacy of the Adviser's resources and quality of services currently provided by the Adviser under the Advisory Agreement. The Board noted the Adviser's representation that the firm is financially stable and able to provide investment advisory services to the Fund. The Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Fund under the Advisory Agreement.

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. The Board also considered the Adviser's resources devoted to the Fund as well as an assessment of costs and profitability. The Board also considered that the Adviser continues contractually to limit certain advisory expenses and, as necessary, reimburse Fund expenses through October 31, 2010. Under those circumstances, the Board concluded that the Adviser's profits attributable to management of the Fund were not excessive in light of the services provided by the Adviser on behalf of the Fund and that the Adviser was sufficiently financially stable to provide services to the Funds.

Performance

In connection with a presentation by the Adviser regarding its approach to managing the Fund, the Board considered the Fund's performance. The Board considered the Fund's performance over the one-, three-year and since inception periods ended September 30, 2009, noting that the Fund had outperformed its benchmark over each period. The Board also noted the relatively difficult market faced by the Fund over the last year and the Fund's performance during that period. Based on this review and all of the relevant facts and circumstances, the Board concluded that the Fund's performance was reasonable relative to its peers and benchmark and that the Fund and its shareholders could benefit from the Adviser's management of the Fund.

Compensation

The Board considered the compensation paid to the Adviser for providing advisory services to the Fund. The Board also analyzed comparative information regarding advisory fees, expenses and performance of similar mutual funds. At the October meeting, the Board noted that the Adviser's actual advisory fee rate was higher than the median of its Lipper Inc. peer group and that the Fund's actual total expense ratio was lower than the median of its Lipper Inc. peer groups. The Board further noted that all Fund expenses are paid by the Adviser under the Advisory Agreement. The Board considered at the October meeting that the Adviser had contractually agreed to limit the total annual operating expenses of the Fund through October 31, 2010, to 1.35% of average daily net assets. At the December meeting, in connection with proposed amendments to the Advisory Agreement, designed to reduce Fund expenses, the Board considered the Adviser's agreement, effective January 1, 2010, to contractually limit total annual operating expenses of the Fund through October 31, 2010 to 1.25% of average daily net assets. Based on the foregoing and all of the information available, the Board concluded that the Adviser's advisory fee rate to be charged to the Fund was reasonable.

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 in the future it was likely to experience economies of scale in connection to provision of services to the Fund. Although the Adviser represented at the October meeting that it was not currently contemplating breakpoints or changes in fees, the Adviser proposed a fee change and reduction of the contractual expense cap at the December meeting. Under these circumstances, the Board concluded that the Fund may already be benefitting from economies of scale and that it would not be necessary to consider the implementation of fee breakpoints at this time.

Other Benefits

The Board noted the Adviser's representation that the Adviser does not expect to receive any kind of ancillary benefit or compensation from its relationship with the Fund. The Board accordingly 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 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 SEC's 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 1-800-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, 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 following example is based on $1,000 invested at the beginning of the period and held for the entire period from July 1, 2009, through December 31, 2009.

Actual Expenses – The first line under each class of shares in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the relevant 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 under each class of shares in 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 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 cost of investing in the Fund to such costs of 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 July 1, 2009	**Ending Account Value December 31, 2009**	**Expenses Paid During Period***	**Annualized Expense Ratio***
Investor Shares				
Actual	$1,000.00	$1,176.81	$7.41	1.35%
Hypothetical (5% return before expenses)	$1,000.00	$1,018.40	$6.87	1.35%
A Shares				
Actual	$1,000.00	$1,175.84	$7.40	1.35%
Hypothetical (5% return before expenses)	$1,000.00	$1,018.40	$6.87	1.35%

*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.

Auxier Focus Fund

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