AAM AUXIER•ASSET MANAGEMENT LLC

Auxier REPORT

5000 SW Meadows Road, Suite 410, Lake Oswego, OR 97035 Phone 503.885.8807 1.800.835.9556 Fax 503.885.8607 Email info@auxierasset.com

J. Jeffrey Auxier

AUXIER FOCUS FUND
PERFORMANCE UPDATE
September 30, 2007

AUXFX RETURNS VS. S&P 500 INDEX

	Auxier Focus Fund	S&P 500 Index	Difference*
06/30/07 – 09/30/07	-2.23%	2.03%	-4.26
12/31/06 – 09/30/07	6.17%	9.13%	-2.96
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
12/31/00 – 12/31/06	72.26%	18.98%	53.28
Since Inception 7/9/99	95.89%	24.29%	71.60

* in percentage points

Average Annual Returns for the period ended 09/30/07	1 Year	3 Year	5 Year	Since Inception
Auxier Focus Fund (Investor Shares)	**14.31%**	**10.65%**	**12.90%**	**8.52% (7/9/99)**
S&P 500 Index	**16.44%**	**13.14%**	**15.45%**	**2.68%**

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. As stated in the current prospectus, the Fund's annual operating expense ratio (gross) is 1.36%. However, the Fund's adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expenses do not exceed 1.35% which is in effect until October 31, 2007. 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.

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 investment objective of the Fund is to provide long term capital appreciation by investing primarily in a portfolio of common stocks that the Advisor believes offer growth opportunities at a reasonable price. As a non-diversified fund, the Fund will be subject to substantially more investment risk and potential for volatility than a diversified fund because its portfolio may at times focus on a limited number of companies. 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. Foreside Fund Services, LLC, distributor.

Fall 2007

Market Commentary

The Auxier Focus Fund slipped to negative 2.23% in the third quarter of 2007, versus a 2.03% rise in Standard and Poor's 500 Index. Financial stocks particularly underperformed, declining over 4% on average. Smaller companies, as measured by the Russell 2000 Index, declined 3% for the quarter. The Lipper Balanced Fund Index returned 1.9%. Generally, domestic companies that borrow or lend had a tough quarter. In contrast, large multinational growth companies outperformed in the face of overall earnings growth decelerating, the dollar weakening, and credit tightening. Stock buybacks also helped. Over the past 11 quarters, S&P 500 companies representing 75% of the market capitalization have spent a record $1.12 trillion on share buybacks. Over the past seven quarters, buybacks have exceeded $100 billion each quarter. This is almost as much as was spent on capital expenditures. We believe this behavior is much more shareholder friendly than overpaying for major acquisitions, which invariably destroys shareholder value.

Financial Crises Over the Past 20 Years

Given the recent market turmoil, it may be helpful to review financial disruptions over the past two decades to add insight to the current environment.

1987: Black Monday. A one-day, 22% stock market decline. The steepest one-day market drop since the 1929 crash.

1990-92: Savings & Loan Crisis. Worst banking problems since the 1930s.

1997-98: Asian/Emerging Market Meltdown. One of the worst global market declines in 50 years.

2000-2002: Tech/Telecom Burst. Severe declines after one of the biggest investment bubbles in history.

2007: Housing Credit Crunch. Could be one of the steepest housing corrections since the 1930s.

Even with these setbacks, it's worth noting that global gross domestic product (GDP) has grown 3.7% annually, on average, over the period. Having managed money through each crisis, I will share some lessons that I've learned.

The importance of a strong balance sheet is critical, as the sins of overpaying and overborrowing become painfully obvious in downturns. Here's an example of the carnage of this oversight: 140 mortgage lenders have gone bankrupt in the past few months. Easy money, reckless lending and inflated assets go hand-in-hand, with an ugly ending. You want a company that can endure, that can bounce back, that becomes stronger during the downturn. You want to buy when companies are undervalued due to the negative emotions of the time, but structurally can survive and thrive even in the most challenging economic environment. A long-term, rational, businesslike approach is critical. Facts and underlying operating fundamentals must dictate your actions—not emotions or hysteria.

During the 1987 crash we were able to buy quality businesses on sale, at 30% discounts within 48 hours time. We already knew which companies and managements were executing and had solid fundamentals. So when they threw the baby out with the proverbial bathwater, we knew which babies to adopt as our own. The idea was to take advantage of the negative news environment to buy exceptional assets poised for a "double-play return." That's when higher earnings increase intrinsic value, and can ultimately lead to a revaluation upward of the entire enterprise. Day-to-day research is critical because, when it is time to act, you have to know the business better than does the market. Remember, crisis is not an everyday event. It provides fear and uncertainty necessary to get a bargain that is elusive much of the time.

Financial accidents can lead to lower interest rates and are powerful stimulants to companies already enjoying strong earnings power. The 1998 Federal Reserve (the "Fed") easing helped fuel the tech boom beginning in 1999. Often stimulative Fed policy may result in bubble valuations in an industry that has strong operating results. Cutting the Fed funds rate half a percentage point this September provided enormous stimulus to stocks in general, with particular strength in natural resources, agricultural commodities and emerging markets.

Defining and Repricing Risk

Risk, quips Warren Buffett, is not knowing what you are doing. Complexity is not a prerequisite to investment success. You should be able to describe your investment idea with a crayon in less than 90 seconds, according to accomplished fund manager Peter Lynch.

Storied hedge fund Long Term Capital went bust and had to be bailed out in 1998. That year total hedge fund assets stood at $240 billion. Today they are closer to $1.4 trillion, a sixfold increase! The industry is essentially a blind pool that can leverage derivative contracts with only 5% down. Long Term Capital was able to control close to $1 trillion in securities with $2 billion in equity before its collapse. This group was loaded with brilliant Ph.Ds (and not the Poor-Hungry-Driven type). Today, financial innovation has combined with leverage and lack of disclosure to stay far ahead of the regulatory bodies. Between 2000 and the end of 2006, the market value of bonds outstanding—most of which do not trade on exchanges—rose 75% to $25.2 trillion. Debt outstanding has grown 3.5 times income over the past five years (American Banker). Several years of careless lending won't fix itself in a quarter. One in seven houses in America currently sits empty. We believe we are experiencing a global margin call and an upward repricing of risk.

According to American Banker, "U.S. savings and loans held more troubled assets in the second quarter than at any time in the past 14 years, as more families fell behind on their mortgage payments. U.S. thrifts held $74.2 billion in repossessed assets." Unfortunately, the third quarter has seen a further deterioration in these fundamentals.

Infrastructure Banking on Free Trade and Food

Among the best yardsticks of global trade is the Baltic Dry Index, which measures freight costs from bulk commodities like corn, coal and iron. The Baltic Dry recently crossed 10,000, an all-time high. A large contributor is the continued urbanization and infrastructure build-outs of emerging markets. Brazil, Russia, India and China combined are projected to invest $1.2 trillion on infrastructure over the next three years. Emerging market reserves are currently in excess of $5 trillion, thanks in large part to high oil and commodity prices. Worldwide economic growth for 2008 is projected to be as strong as 4.8%.

Our approach in buying businesses is the same, whether they are domiciled in the U.S. or abroad. Ideally you want a business that is dominant in its market, enjoys high returns on invested capital, strong free cash flow, and has an honest, diligent management. We often invest with successful owner/operators who have a substantial shareholding position, meaning they share the downside too. For example, we have been an investor with Carlos Slim via Telefonos de Mexico since the Mexican peso devaluation in the early 1990s. He has been successful buying dominant franchises aggressively during sharp market and economic contractions. Due to the higher risk, we look for much cheaper valuations and much stronger barriers to entry before investing. Today, Korea and Brazil markets are trading at discounts and are on our watch list.

Where to Invest in the Food Chain

In recent years, the world has enjoyed the strongest period of economic growth since the 1970s. This has helped to push more people into the middle class. The first upgrades in lifestyle appear to be food—increased milk and protein in the diet. The average person in China now consumes six gallons of milk annually, up from two gallons in 2000. Increased meat consumption drives up feed costs as well. Grain stocks are at the lowest levels since 1949, helping to push wheat from $4 a bushel to over $8. In addition, Russia has recently instituted price controls on many basic foods while drastically increasing their own export tariffs. Ironically, price controls have the opposite effect and actually lead to long term price increases due to shortages.

Another source of crop demand is the legislative mandates for renewable biofuels, both in the U.S. and Europe. It is estimated that to replace just 10% of U.S. gasoline and diesel consumption, over 40% of our cropland would need to be dedicated to ethanol production. Yet two billion people struggle to eat each day while 860 million drive cars. Surprisingly, Congress is contemplating tripling the current requirements by 2022. Maybe we should mandate backyard gardens instead.

One more trend driving prices higher is the "wellness" craze. Foreign food imports into the U.S. have increased 50% over the past five years, yet we currently inspect less than 1% of those imports. Poor quality out of China has stimulated the demand for organic food and toward knowing the source. Google has established "Café 150," offering food ingredients that have been grown within 150 miles of the café. Such quality is more expensive and adds to food inflation. One of the fastest growing trends is quality prepared meals. Britain-based supermarket Tesco is rolling out "Fresh and Easy" stores with high-quality prepared foods and perishables.

We track a number of companies that benefit from rising food prices and are on the watch for what we deem as lower-risk entry points. Businesses that can pass on price increases, have high inventory turns and generate substantial free cash flow are ideal in an inflationary environment. Companies like Tesco, Wal-Mart, Safeway and Whole Foods are able to benefit from an uptick as they rapidly turn inventories. During the high food inflation of the 1970s, supermarkets typically had strong, predictable performance.

Integrity a Must

Trust can take years to build and minutes to destroy. The markets are virtuous over the long run. But they can be vicious to those trying to get rich quick on borrowed money. Some particularly noxious strategies recently have undermined the credibility of major financial institutions. Among them: off-balance-sheet financing, securitization as a substitute for due diligence, and opaque investment vehicles where valuation is extremely difficult to assess. Citigroup has nearly 40% of their book value in off-balance-sheet borrowings called Structured Investment Vehicles (SIVs—or "leaking SIVs," among financial wags). The annual report barely mentioned SIVs despite an $80 billion exposure. These investment vehicles borrow short-term to invest in longer dated securities. The spigot of short-term, asset-backed funding has been shut off. Banks are inherently leveraged. But increasing borrowings by a factor of 40% of book value without material disclosure brings into question the integrity of management. Before this crisis is over, many of the bad behaviors of this era of asset shuffling (flipping), securitization and financial engineering will be purged. These companies will refocus on sound business execution to build value over the long term.

Outliving Your Money

According to the National Center for Health Statistics, Americans who reach 65 years of age today can expect to live an additional 19 years. This is up 33% from 1950. This supports the importance of sound capital allocation. It is vital to have a businesslike approach to investment decisions covering all asset classes. The goal is to maximize the power of compounding and stay ahead of the ever increasing cost of living. Hopefully, these letters can be of help in the educational process of sound investment principles.

Your trust and support is appreciated.

Jeff Auxier

As of 09/30/2007, the Fund held those securities mentioned in the letter as follows: Telefonos de Mexico (1.7%); Google (0.0%); Tesco (0.3%); Wal-Mart (1.9%); Safeway (0.3%); Whole Foods (0.0%) and Citigroup (1.9%).

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.

Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. The Lipper Balanced Fund Index tracks funds whose primary objective is to conserve principal by maintaining, at all times, a balanced portfolio of both stocks and bonds. Typically, the stock/bond ratio ranges around 60%/40%. One cannot invest directly in an index.