AAM AUXIER-ASSET MANAGEMENT LLC

Auxier REPORT

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AUXIER FOCUS FUND
PERFORMANCE UPDATE
September 30, 2010

AUXFX RETURNS VS. S&P 500 INDEX

	Auxier Focus Fund	S&P 500 Index	Difference*
06/30/10 – 09/30/10	8.90%	11.29%	-2.39
12/31/09 – 09/30/10	4.55%	3.89%	0.66
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	92.04%	-0.54%	92.58

* in percentage points

Average Annual Returns for the period ended 09/30/2010	1 Year	3 Year	5 Year	10 Year	Since Inception
Auxier Focus Fund (Investor Shares)	9.29%	-0.66%	3.56%	6.26%	5.98% (7/9/99)
S&P 500 Index	10.16%	-7.16%	0.64%	-0.43%	-0.05%

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, 2011. 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 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.

Fall 2010

Market Commentary

Auxier Focus Fund ended third quarter 2010 with an 8.9% return, versus 11.29% for Standard & Poor's 500 stock index (S&P). Year-to-date the Fund is up 4.55% versus 3.89% for the S&P. Since inception in 1999, the Fund has outperformed the market by over 92 percentage points, cumulatively.

Quality At An Attractive Price

Looking across the investment spectrum, the current climate has created opportunities to buy high-quality businesses at prices below what such exceptional companies historically command. For example, their earnings yield compared with government bond yields recently reached record spreads. The Fund is well positioned in global franchises with powerful distribution networks reaching an "aspiring emerging middle class" numbering over two billion. Rapidly advancing communications fuel greater desire to improve one's life, starting with necessities. Healthcare is an underpenetrated segment for many of these potential customers as well. We especially like producers of low-ticket consumable goods. These stocks are a partial hedge against fallout in China from "local government funding vehicles" (LGFVs), which are similar to our structured investment vehicles (SIVs). These Chinese creations have contributed to aggressive lending and overall fixed investment approaching 50%.

Houses, Bonds and Businesses Compared

With a change in political winds, much needed government austerity measures should be implemented in the U.S. in the same way they are globally. This would increase the attractiveness of so-called "self-funding" businesses with low mandatory capital requirements. Americans are waking up to the fact that real estate "eats" a lot of mortgage interest, taxes, insurance, maintenance, etc. Many may be better served with bargain purchases of businesses that sell a quality product or service, earn high rates of return on capital and generate excess cash. With recent regulation, the popularity of financial engineered returns is diminishing. Remember the definition of a financial genius—leverage in an up market. Bonds look overvalued in the face of deteriorating fundamentals and a Federal Reserve ("the Fed") apparently eager to fire up the printing press to solve the country's problems.

Back in 1972, top-quality companies dubbed the "Nifty Fifty" were thought to be "one-decision stocks." All a person had to do was buy and hold, regardless of price. This craze led to price-earnings ratios that soared to over eighty times, only to crash to under 10 in 1974. Similar premiums were common in the late 1990s. Today, I am finding comparable quality under 12-13 times, often with double-digit free cash flow yields. Historically, over 70% of stocks' return is attributable to reinvestment of dividends. Therefore, businesses that can grow cash payouts at a consistent pace look attractive. Here are a couple of lessons from the "Nifty Fifty" period. There is no such thing as a "one decision" approach in investing. Aggressive research and monitoring are a must. One also needs to sell into bubble valuations, or risk torpedoing the portfolio.

The Benefits of Cumulative Research

This is a uniquely favorable time for an independent minded business analyst. Since 1982, I have amassed more than 30,000 hours of investment research, including three major recessions, numerous crashes, and interest rate swings from 18% to 1%. This database is helpful in sensing danger and identifying securities that will endure through the most difficult economic challenges. A diligent research effort is cumulative. It's also a competitive advantage, assuming the approach is fundamentally sound, the ego is kept in check, and the work ethic is maintained (fortunately, I am a lousy golfer). Daily dedication to uncovering facts and fundamentals is crucial, as you can never tell when emotional panic will engulf markets.

For example, Fed policies have led to distortions in capital allocation with far greater speculation, mathematical trading and quantitative modeling. The longer the Fed adheres to a policy of artificially low interest rates, the greater the likelihood of investment mistakes that ignore underlying cash flows. This in turn leads to momentum and ultimately manias. Surviving the past 11 years (the period the Fund has been in business) requires you to be on "bubble alert." Recall such recent disasters as zero-down mortgages, zero-down auto loans and 5% down derivative contracts.

The mistaken belief that there is no cost to capital is problematic. A pension funding crisis is brewing at all government levels—federal, state and local, just like the corporate bond bust 18 months ago. California and Illinois already face dangerous debt levels abetted partly by government subsidized Build America Bonds. Ironically, Build America Bonds may prove to be the final straw that breaks the backs of those states' fiscal burdens. When the bond herd stampedes in the opposite direction, we hope to be well prepared to take advantage of bargains created by the crisis.

Why Buying Low Rules

With the threat of higher tax rates next year, it is worth revisiting a Jim Grant (Grant's Interest Rate Observer) study of the 1951 market. Harry Truman, champion of the Revenue Act of 1951, lifted top marginal tax rates from 84.4% to 91%. Despite this onerous move, the decade from 1951 to 1961 was one of the best for investors in the twentieth century. In fact, the Dow Jones appreciated 50% in 1954. Why? The starting point was cheap, with quality stocks trading close to 10 times earnings.

The price you pay is a huge component of the return you will achieve. So is inflation, now a distant memory for many investors. The purchasing power of $1 million drops to $680,000 over ten years with a 4% inflation. We are in an environment where investors need to work extremely hard to find double-play returns, providing both a margin of safety and a hedge against the hidden loss of purchasing power.

Final Note

Auxier Focus Fund was recently recognized by Standard & Poor's Equity Research in its first ever U.S. Mutual Fund Excellence Awards Program. To learn more, please visit www.spfundawards.com. We greatly appreciate our shareholder trust and support!

Sincerely,

Jeff Auxier

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.

"Nifty Fifty" refers to the 50 stocks that were most favored by institutional investors in the 1960s and 1970s. Companies in this group were usually characterized by consistent earnings growth and high price to earnings (P/E) ratios. P/E ratio is the valuation of a company's current share price compared to its per-share earnings.

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.