AAM AUXIER•ASSET MANAGEMENT LLC

Auxier REPORT

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AUXIER FOCUS FUND
PERFORMANCE UPDATE
June 30, 2013

ANNUALIZED

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	7.06%	7.74%	8.17%	13.74%	15.06%
S&P 500 Index	2.87%	7.30%	7.01%	18.45%	20.60%

CUMULATIVE

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	159.50%	110.76%	48.11%	47.15%	15.06%
S&P 500 Index	48.52%	102.25%	40.32%	66.20%	20.60%

* Fund inception: July 9, 1999

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. As stated in the current prospectus, the Fund's Investor Class Share's annual operating expense ratio (gross) is 1.29%. The Fund's adviser has contractually agreed to reduce a portion of its fee and reimburse Fund expenses to limit total annual operating expenses at 1.25%, which is in effect until October 31, 2015. Other share classes may vary. 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. 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.

Summer 2013 Market Commentary

Auxier Focus Fund returned 2.03% for second quarter 2013 and 11.79 % for the six months through June 30. The Fund ended the quarter with 84.7% in stocks, 4.1% in bonds and 11.2% in cash. Our stockholdings gained 3.55% for the quarter and 15% for the first half. These returns beat the Standard and Poor's 500's (S&P) corresponding 2.91% for the quarter and 13.82%. Since inception in 1999 the Fund's cumulative return is 159.50%, three times the S&P's corresponding 48.52%, despite the index's much higher risk profile. While the S&P is always fully invested in 500 stocks, Auxier Focus's sturdier allocation averages 77% in stocks.

Commodities as measured by the Dow Jones UBS Commodity Index continued to correct, dropping 9.45% for the quarter. Gold dropped 23 %. The long boom in commodities (over 115 months) brought with it higher levels of debt that tend to accelerate the price declines during corrections. Global production has clearly caught up with demand. Reduced commodity speculation and lower raw material costs typically are favorable for the quality businesses we own.

Bonds as measured by the Lipper Intermediate Investment Grade Index declined in price 2.73% for the quarter. Bond yields have dropped over 85% since their peak some 32 years ago. Historically, the bond market has run in 30-35 year cycles, and we may be embarking on a new cycle of rising rates. Investors often forget that a normally functioning bond market (i.e., not manipulated by the Federal Reserve's current policies) can be just as volatile as the stock market. If the yield on 10-year Treasury notes rose to the median yield since 2000, 4.27%, investors could suffer losses in bond principal of greater than 20%. In June, investors pulled over $79 billion from bond funds. Given the historic high prices and the dearth of yield, many bonds, like commodities, can now be classified as "speculative." Risk tends to be correlated with the degree of overvaluation of an asset class. The Fed's easy-money mandates have led investors to "underprice risk." For retirees who typically invest for income, it is critical that they are overcompensated for the risk taken. One example: many so-called leveraged bond funds (closed-end funds that borrow to enhance returns) suffered 10-15% price declines over just a four-week period.

Where We Find Value Today

We aim to deploy capital at compelling prices created when a stock appears "hopelessly out of favor," and then harvest fully valued shares in times of "euphoria." Many of the positive contributors in the quarter were in healthcare names (WellPoint, Hospira, UnitedHealth, Health Management Associates) that were purchased over eighteen months ago at the height of panic and uncertainty surrounding ObamaCare. Extremely depressed price points allowed us to enjoy meaningful upside just to a mean valuation. Another example is H&R Block, which had dropped to an historic low price as the company lost its way through "diworsification." Then management intensely refocused the business on taxes, and the stock has more than doubled from a very low base.

Top Holdings on 06/30/2013	% Assets
Pepsico	3.6
Molson Coors Brewing	3.5
Tesco	3.1
Hospira	2.5
Bank of New York Mellon	2.2
BP	2.1
America Movil ADR	2.0
Merck & Co.	2.0
Procter & Gamble	1.9
Microsoft	1.9

When investing in new positions, we are often buying at progressively weaker prices, thereby hurting our short-term performance. We are now finding bargains in quality businesses temporarily weighed down by financial woes in Europe and the UK. Some of the finest grocers in the world can be found in Europe. We have been investing in solid but struggling franchises like Tesco, the leading grocer in the UK. Similar to H&R Block, Tesco lost its way and over-expanded. But now the company is working hard to refocus on their customer. The European telecom industry seems poised for widespread consolidation. Among global players well-positioned in Europe, we have found enticing recessionary valuations in Telefonica (based in Spain) and America Movil (Mexico). We are probably early but after 30 years of weathering recessions and financial panics, we prefer investments subject to time risk, rather than price risk, as we patiently await the upside of pent-up demand being released from the grip of austerity.

Trends That Are Investors' Friends

There's lots of potential fire power to fuel meaningful mergers and acquisitions. U.S. corporations are sitting on close to $1 trillion in cash at a time when revenue growth is sluggish. Banks have over $1.6 trillion in reserves. The price of crude oil, one major commodity that's bucking the global correction, is vulnerable. Worldwide drilling rates are nearing 30-year highs, according to Schlumberger. And technology is in place for oil to tank as well. Additionally, capital spending on fixed investments in the U.S. stands at a 50-year low versus GDP. Rising interest rates could present problems. But they ironically could help strengthen the economy and lending levels because banks would be better compensated for the risk. An increase in net interest margins could expand credit, especially to cash-strapped small businesses. Conventional wisdom holds that higher rates are bad for stocks. But in 1987 long term bond yields spiked from 7% to 10% in just eight months, and yet the stock market gained over 40% before correcting big time on October 19 (aka Black Monday). This untapped lending potential could act as a huge stimulant when that money enters the real economy.

Opportunity abounds today for the dedicated business analyst armed with the right temperament. Great management teams can find ways to build customer value through innovation and execution. Human nature, together with the emotions of fear and greed, will always conspire to create tremendous bargains in the auction markets. Globally, there are more democracies than ever before in history, setting the stage for more market-based reform. Mexico is privatizing its energy industry (the world's fourth largest in proven reserves) and encouraging competition in telecom and real estate. Even Cuba is introducing more market solutions to boost stagnant standards of living. Communications transparency is educating the masses about the inherent fallacy of centrally planned capital allocation. Look no further than China's state-directed investment policies, which have contributed to a loss in excess of $700 billion in market value in the past few years. Contrast China's business bureaucrats with history's outstanding corporate capital allocators such as Henry Singleton of Teledyne and Tom Murphy of Capital Cities/ABC, both of whom excelled in the humility of decentralization. Hopefully more governments will understand the dangers of state controlled economies.

In closing, a wise investor once told me that the key to capturing the power of long-term compounding was to avoid speculative bubbles and the valuations they foster. Over the 14-year history of Auxier Focus, we have had to deal with successive technology, housing and commodity booms/busts. The next bubble to pop could be bonds. Unfortunately, over 70% of the world's liquid assets are held in fixed income securities widely perceived as "safe." In time, that money should increasingly shift to more productive assets and businesses that can better cope with the now hidden risks of bonds—inflation and diminishing purchasing power.

We appreciate your trust,

Jeff Auxier

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 mid-sized companies which generally carry greater risk than is customarily associated with larger companies. Moreover, if the Fund's portfolio is overweighted in a sector, any negative development affecting that sector will have a greater impact on the Fund than a fund that is not overweighted in that sector. An increase in interest rates typically causes a fall in the value of a debt security (Fixed-Income Securities Risk) with corresponding changes to the Fund's value.

Foreside Fund Services, LLC, distributor.

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 Dow Jones UBS Commodity Index is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. The index is composed of futures contracts on physical commodities. The Lipper Intermediate Investment Grade Index is an unmanaged index considered representative of intermediate investment grade debt funds tracked by Lipper. 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.