AAM AUXIER•ASSET MANAGEMENT LLC

Auxier REPORT

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J. Jeffrey Auxier

AUXIER FOCUS FUND
PERFORMANCE UPDATE
June 30, 2012

ANNUALIZED

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	6.47%	6.83%	2.39%	13.05%	2.84%
S&P 500 Index	1.62%	5.33%	0.22%	16.40%	5.45%

CUMULATIVE

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	125.53%	93.65%	12.56%	44.50%	2.84%
S&P 500 Index	23.15%	68.13%	1.09%	57.70%	5.45%

* 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 1.32%. 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.

Summer 2012 Market Commentary

Auxier Focus Fund declined in value 0.96% in second quarter 2012. But the Fund weathered the sloppy market far better than Standard & Poor's 500 stock index (S&P), which lost a corresponding 2.75%. For the first six months, our low-risk portfolio returned 5.64%, trailing the S&P's 9.49%. And we continue to handily outpace the market over the long term, returning 125.53% cumulatively since inception (July 1999) versus the S&P's 23.15%. This 102 percentage point lead illustrates how we endeavor to exploit the power of compounding by aiming to outperform our peers in down markets rather than chasing glamour stocks during upswings.

High structural debt levels in the developed countries of Europe as well as the United States represent stiff headwinds to global economic growth. The 27 nation European block is the largest economy in the world. Our approach has been to seek out bargain priced securities that can endure the most extreme periods of deleveraging and austerity. Absolute debt (both public and private) in developed countries in general is higher today than in 2007, a year before the financial crisis erupted. Historically, such indebtedness has meant very sluggish growth.

Buying Global Reach on the Cheap

Top Holdings on 6/30/12	% Assets
PepsiCo Inc.	3.6
Molson Coors Brewing Co	2.4
Tesco PLC ADR	2.4
Philip Morris International	2.2
Merck & Co. Inc. New	2.1
Microsoft Corp.	1.8
Procter & Gamble Co.	1.8
Wal Mart Stores	1.8
Medtronic Inc.	1.6
Hospira Inc.	1.5

Gloomy headlines out of Europe overshadow some exciting fundamental developments emanating from the 1.8 billion member middle class. It is growing by 150 million people a year and represents over $12 trillion in income that will be spent. The Internet is helping to unleash an exciting new spirit. Asia is undergoing the most rapid urbanization in history. For example, while China's per capita GDP is still low, wages should double over the next five years. Businesses supplying quality food and necessities are growing twice as fast as the economy. This aspiring middle class is hungry for safe, high-quality western products. New trade agreements with Korea and Columbia are opening up markets for such basics. Many of our companies in the Fund have the scale and distribution networks necessary to meet this growing demand. Indeed, Europe abounds with such "global reach" stocks that are compelling bargains partly due to the region's mounting debt crisis. Like farmers, we aim to profit by planting in fertile but recently drought-plagued areas that, now hopelessly out of favor, could produce bountiful harvests once rain returns.

Conventional Wisdom Can Also Be Costly

Achieving above average returns requires a strong research effort, rational approach and superior allocation of investors' capital. There are no shortcuts. Only a select few businesses typically can thrive in a period of harsh austerity and rapid debt reduction. Popular investment mantras like "buy, hold and forget" and "broad diversification" can actually be hazardous. The most extreme example of the dangers of blindly trusting an index has to be the collapse of Japan's debt-driven economic boom. On December 29, 1989, the Nikkei index of 225 stocks hit a peak close of 38,915.87. By March 10, 2009, the index had dropped 82% to 7054.98. There is no heart or soul in these indexes. They lack pioneering entrepreneurs like Jim Sinegal of Costco or Sam Walton of Wal-Mart to power through the tough times.

Leverage is often overlooked or misperceived. Jim Grant reminds us that, as recently as 2005, interest rates on Greek 30-year government bonds were a scant 20 basis points[1] higher than those on rock-solid German 30-year Bonds. This despite the fact that Greece had been in default over 50% of the time since the early 1800s. The Greek 30-year subsequently lost over 80% of its value by 2011. Today, the California legislature has approved a $100 billion bullet train project even as more and more cities across the state seek bankruptcy protection. Never mind that virtually every company in the vanguard of the great railroad boom of the 1800s, both here and in Britain, had to be reorganized to discharge excessive debts.

All investment classes need to be thoroughly investigated to determine the actual margin of safety. Relying solely on conventional wisdom has historically proved costly. Since 1999, we have witnessed overlapping booms in technology, housing and commodities, with each lasting over 113 months. The public often confused these speculative booms with investments. Now the thundering herd has charged into government bonds. If they only knew that just six countries over the past eight centuries have honored their debt (*This Time Is Different: Eight Centuries of Financial Folly* by economists Carmen Reinhart and Ken Rogoff). Shrinking purchasing power is hidden short term but lethal long term. In a recent *Fortune* article, Warren Buffet explained how the US dollar has declined 85% in purchasing power since 1965. It takes $7 dollars today to buy what $1 bought back then.

Unconventional Wisdom From Wealth Creators

It's often helpful to look back in history to see how exceptional investors reacted when confronted with seemingly insurmountable problems. J. Paul Getty died in 1976 at age 83 with a net worth in excess of $150 billion in today's dollars. His experience during the Great Depression is a valuable study in how to allocate capital. Some Getty insights:

"I began buying common stocks at the depths of the Depression. Prices were at their lowest, and there weren't many stock buyers around. Most people with money to invest were unable to see the forest of potential profit for the multitudinous trees of their largely baseless fears. I had confidence in the future of the American economy and realized the shares of many entirely sound companies with fine potentials were selling at a fraction of their true worth."

"The seasoned investor buys his stocks when they are priced low, holds them for the long-pull rise and takes in-between dips and slumps in stride,"

"Big profits go to the intelligent, careful, patient investor, not to the reckless and overeager speculator."

It's worth noting the same approach Getty espoused is being practiced today by Carlos Slim, the world's richest man. The Mexican industrialist is capitalizing on the turmoil in Europe by buying undervalued phone stocks. Says Slim: "When hard times hit, you can look at opportunities in a very agile way. Europe is in a good moment."

Your trust and support is appreciated.

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. One cannot invest directly in an index.

[1] *A basis point is one hundredth of a percentage point (0.01%).*

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.