AUXIER FOCUS FUND UPDATE
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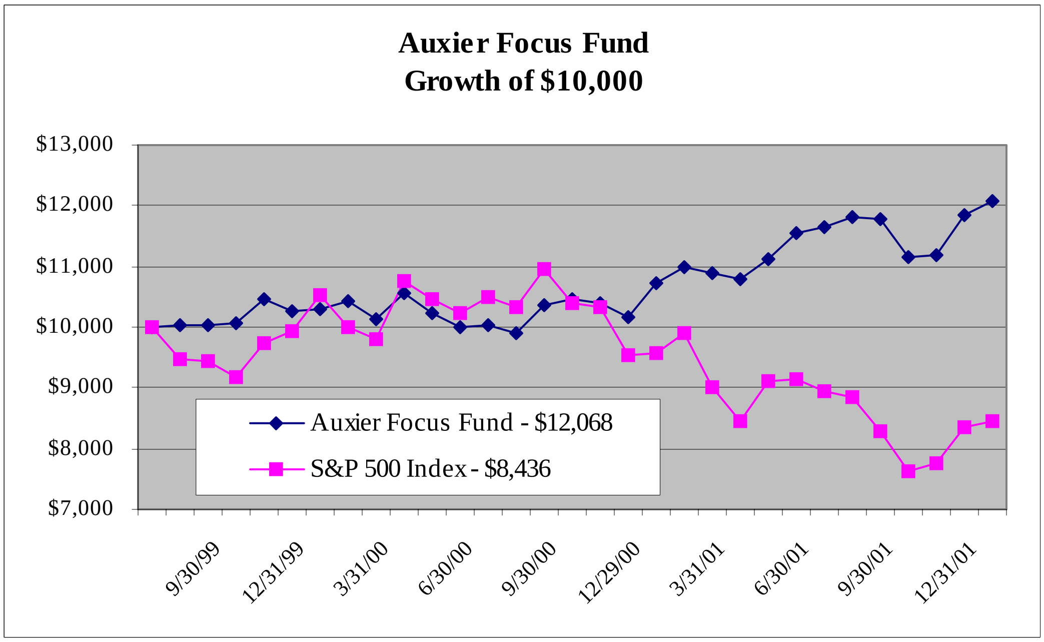
DECEMBER 31, 2001

The table below summarizes the performance for the quarter, six months, and year ended December 31, 2001.

	3 Months Actual Return	6 Months Actual Return	1 Year Average Annual Total Return	Average Annual Total Return Since Inception (July 9, 1999)
Auxier Focus Fund	8.34%	3.70%	12.67%	7.87%
S&P 500 Stock Index	10.69%	-5.55%	-11.88%	-6.62%



This graph, prepared in accordance with SEC regulations, shows the value of a hypothetical initial investment of $10,000 in the Fund and the S&P 500 Index on July 9, 1999 (inception of the Fund) and held through December 31, 2001. The S&P 500 Index is a widely recognized unmanaged index of common stock prices and is representative of a broader market and range of securities than is found in the Fund portfolio. Individuals cannot invest directly in the index. Performance figures reflect the change in value of the stocks in the index, and reinvestment of dividends. The index returns do not reflect expenses, which have been deducted from the Fund's return. The performance of the Fund is computed on a total return basis, which includes reinvestment of all dividends. THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT PREDICT FUTURE RESULTS. Investment returns and the principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Management Discussion of Fund Performance

OVERVIEW

In calendar year 2001 the Auxier Focus Fund achieved a favorable return, especially considering that the S&P 500 Index had a negative return for the same period. The fund was able to beat the S&P 500 Index with an approximate 70% exposure to the market, while maintaining the balance in traditionally lower risk money market funds. Why carry cash and intermediate bonds? I aggressively monitor the fundamentals of a number of high quality, owner-oriented businesses. When they drop in price due to a temporary, fixable problem, I buy. It is important that the basic operating earnings picture is intact. I am on the prowl for that compelling, low risk / high reward purchase. Therefore, if that situation is not present, I hold the money in cash and intermediate bonds. Due to the powerful effect of consistent compounding, it is imperative to select investments with solid downside protection.

Companies that dominated the fund this past year tended to be relatively simple businesses with strong balance sheets, pricing power, predictability, and clean accounting. I have paid close attention to debt levels in the wake of the dramatic rise in corporate borrowing. Even though rates are low, debt can be poisonous in a low inflation or deflationary environment. The dangers of borrowing against declining prices are apparent in the huge collapse of fiberoptics and energy trading stocks. One should never borrow against a declining asset price.

Some of the specific stocks impacting the fund include Boston Scientific Corp. and Guidant Corp. in the cardiovascular drug area. Fundamentals are improving with the introduction of new drug coated heart stents, but the stocks hit multiyear lows on misbased fears of competition and FDA delays. These companies enjoy tremendous free cash flow and a relatively closed market in terms of new competition. Disciplined buys led to above average returns on those selections in a relatively short period.

I have always liked processor companies. Nova Corp., a credit card processor, was acquired by US Bank midyear at a substantial premium to our purchase price. The predictable high returns on invested capital make this group attractive.

The tax business is another mundane but predictable business. We acquired H&R Block at half its average annual P/E ratio over the past 5 years.

The hangover of the technology bubble continues, so the fund has been underweighted in those businesses whose growth is dependent upon a strong capital spending cycle. One can't underestimate the downside of extreme indebtedness and devious accounting. Bubbles, heavy borrowing and aggressive accounting historically have gone hand in hand. I'm afraid it will take more time to purge those excesses.

FINAL THOUGHTS

- I continue to be one of the largest shareholders of the fund and view our shareholders as partners.

- After more than 15 years of managing money for investors in all kinds of markets, my experience has made a big difference in the difficult investing environment over the past 2 years.

- The research effort is the single biggest focus of my activity every day of the week. Studying Warren Buffett's success has convinced me that voracious, independent research is critical. It is that dogged day-to-day dedication to fact-finding that truly adds value.

- The philosophy is enduring. A price/value, margin of safety orientation is key in surviving tough economic conditions.

Thank you for your continued support!