Auxier REPORT

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AUXIER FOCUS FUND
PERFORMANCE UPDATE
December 31, 2007

AUXFX RETURNS VS. S&P 500 INDEX

	Auxier Focus Fund	S&P 500 Index	Difference*
09/30/07 – 12/31/07	-0.44%	-3.33%	2.89
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
12/31/99 – 12/31/07	89.48%	14.09%	75.39
Since Inception 7/9/99	95.04%	20.15%	74.89

* in percentage points

Average Annual Returns for the period ended 12/31/07	1 Year	3 Year	5 Year	Since Inception
Auxier Focus Fund (Investor Shares)	**5.71%**	**7.30%**	**11.64%**	**8.20% (7/9/99)**
S&P 500 Index	**5.49%**	**8.62%**	**12.82%**	**2.19%**

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, 2008. 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.

Year-End 2007

Market Commentary

The Auxier Focus Fund (the "Fund") declined to negative 0.44% in the fourth quarter of 2007, handily beating the corresponding negative 3.33% decline in Standard and Poor's 500 Index (the "S&P"). For the full year the Fund returned 5.71%, versus 5.49% for the S&P. Since the Fund's inception in 1999, the cumulative total return has been 95.04%, versus 20.15% for the S&P, nearly a fivefold advantage! Please note that the Fund's equity exposure since inception has averaged less than 70% of the portfolio; the remaining 30% or so consisted primarily of corporate work-outs, bonds and cash. We believe the benefit of this fairly conservative orientation became more apparent in difficult market conditions. Hypothetically, if your portfolio is up 50% in year one, and up 50% in year two, but declines 50% in year three, this would give you a lower return than if your portfolio's compounded average return trailed a steady 8% annually over the same three-year period.

Credit Correction

As of this writing, global stock markets are experiencing a long overdue correction. Preceding this decline was a 20% drop in US financial stocks for 2007, purging the excesses of an enormous credit bubble that coincided with the deregulation of banking and easy money generally. It is estimated by *The Economist* that global home values in developed nations appreciated from $40 trillion to $70 trillion over the seven-year period ending in 2006. Low borrowing cost fueled the initial rise, then, as prices continued their ascent, lenders relaxed standards. Creative financial engineering allowed lenders to sell off loans and loan risk while becoming far removed from the borrower. Accountability was lost in the pursuit of quantity over quality. Velocity of capital was the new game.

The total extent of indebtedness was further disguised through complicated products slugged as "synthetic securitization", "structured finance" and "off-balance-sheet Structured Investment Vehicles" (SIVs). One derivative subset called "credit default swaps" (CDS), which helps banks sell off credit risk, grew from roughly $600 billion to over $44 trillion in less than seven years. Accounting for these transactions and the counterparty risk has become an issue as profits are often simply a matter of mark-to-model assumptions or more cynically as some have quipped, "if you want a bonus, mark profit." These creative products allowed institutions to increase borrowings outside the scope of regulators. Extreme leverage is now unwinding. Unsound behavior and undisciplined capital allocation are being punished. Strong balance sheets are a key to survival, as losses and leverage are a toxic combination.

Ultimately, debt-driven liquidations may create some of the best opportunities to buy assets on the cheap. The unwinding of credit in the thrift crisis of 1991-92 set the stage for outperformance by many small banks. In our separate accounts at the time we bought a number of banks for less than 50% of book value, and the small bank stocks ended up being one of the better performing groups from 1991-1998.

Positioning Your Assets

When money is easy, volatility in the markets tends to be low. The VIX Index, a measure of volatility in the market, averaged a low 13 for the three years ended July 2007. Recently, as credit has become tighter, it soared as high as 37. (VIX values greater than 30 are generally associated with a large amount of volatility as a result of investor fear or uncertainty, while values below 20 generally correspond to less stressful, even complacent, times in the markets.) As money tightens, a rational, emotionally detached "business analyst" approach can be far more effective than that of a casino stock market operator. Most market participants make their decisions based on emotion and sentiment. Understanding the psychology of the pain of loss, and how powerful that can be, is an important consideration while investing in the auction markets. That urge to purge at low prices is a normal reaction that has to be controlled through rational behavior and a focus on facts and value. Identifying and anticipating trouble and mitigating risk helps to keep many investors on course during challenging times.

We believe knowledge gained through experience over years of monitoring the operating realities of businesses, industries, and managements is critical to provide the conviction needed to buy assets at bargain prices in the face of uncertainty. It is also important to study history to help determine the type of downturn and to what extent the problems are surmountable. Over the past fifty years, Wall Street has had nine bear markets (a drop of 20% or more from the peak) lasting an average of 384 days. These slumps are like the weather—normal and to be expected for a functioning free market. Indeed, a stock on the NYSE typically fluctuates 50% each year.

After 25 years of managing assets through a number of declines, this current credit bubble correction looks very similar (but much larger in scope) to the thrift crisis that contributed to the 1991-92 recession. Excessive and sloppy lending in commercial real estate, leveraged buyouts, and housing all contributed to losses that equate to roughly $250 billion in today's dollars. The economy was fairly resilient and the downturn only lasted about twelve months. Part of the reason for the short duration was the willingness of institutions and the government to recognize the problems, to come clean and take the steps to correct the mistakes with a sense of urgency. This stood in contrast to Japanese banks that tried unsuccessfully to disguise their problems for years (constantly restructuring bad loans instead of biting the bullet). This contributed to a post-bubble real estate decline in Japan that lasted for 16 consecutive years.

As a separate account manager, prior to the 1991-92 downturn, we were positioned in large, industry leading, self-funding multinational corporations flush in free cash flow. That, in hindsight, proved a good place to invest while the credit problems were being cleansed. We currently favor these types of businesses, especially as lending standards tighten.

Historical Investment Success

It is helpful to focus on investors throughout history who have endured good and bad times, with their own money on the line. The successful long term investor lives for and thrives during market and economic downturns. J. Paul Getty never paid over book value for an oil stock and was very active during the 1930s depression. Carlos Slim, arguably the best Mexican investor, bought solid franchises during the Mexican debt default in 1982 and the peso crisis in the early 1990s. Of course Warren Buffett's conviction in the 1973-74 decline is well documented. Character traits like independent thinking and patience can be as important as the analysis of buying assets at a fraction of their underlying value. During periods of financial distress it may be far more profitable to focus on those variables that are knowable (managements, profits, balance sheets etc.) instead of the big picture unknowables (the economy, interest rates etc.) Yet Wall Street and the financial press spend most of the time on the latter.

Food Inflation

From 1975 through 2005 food prices dropped over 70% adjusted for inflation, according to *The Economist*. Yet Biofuels mandates are now projected to take crop-based fuel from roughly 7 billion gallons annually to 36 billion by 2022, driving up pricing for grains (wheat stocks are currently at 60-year lows). With less than 15% of the world's oil reserves owned by western oil companies, the political drive for biofuels in both Europe and the US may continue. Wheat two years ago was $3.75 a bushel. Recently, we saw prices for certain varieties of northwest wheat exceed $13 a bushel. China's food inflation was running 18% annualized as of November. This has improved fundamentals for farm machinery, fertilizer, railroads, and grocers.

Bond Yields

With US government bonds recently yielding less than the inflation rate, income-oriented investors may be "missing the mark." One just has to look back to the Weimer Republic in Germany. According to Gordon Craig's *Germany 1866-1945*, that country's currency in 1914 traded 4.2 marks to the dollar. In 1920, after World War 1, prices dropped around the world in a great deflation. Bonds looked solid. By January 1921, however, the German currency dropped to 64 marks to the dollar. Then, in the face of huge war debts, on November 15, 1923 the currency dropped to 4.2 trillion marks to the dollar. In 1923, Germany utilized over 1700 printing presses around the clock. Fixed income pensioners were wiped out.

As a bondholder, it can't be too reassuring that your Federal Reserve chief has a nickname "Helicopter Ben" and the perception that he will flood the economy with helicopters of money at the slightest hint of deflation. Oftentimes, when investments "feel good," the risk is in fact highest.

Repricing Risk

As we navigate through these difficult times, the good news is that the marketplace appears to be repricing risk. Spreads on high-yield bonds have risen from a low of 2.3 percentage points back in June to over 6 points lately. It is important to note, higher spreads indicate a higher default risk in junk bonds, and can be a reflection of the overall corporate economy (and therefore credit quality). Market declines of 20% happen on average once every four years and can be viewed as an opportunity to buy solid merchandise from panicked sellers. The environment of concern and fear, together with a return to more normal volatility is a much better backdrop in which to allocate capital.

According to Argus Research, stock purchases and sales by insiders are at the most bullish levels since November of 2002—the last major market decline.

Market adjustments underscore the need for humility and daily preparation in the investment process. To survive, it is necessary to be a voracious and persistent learner, to always seek the facts and fundamentals, and to look at the potential downside of every decision. Wisdom is a key, with the understanding that follies repeat and each investment class cycles in and out of favor. We strive to be diligent in our research and rational in our approach. The outlook is good for businesses that are able to stick to the basics and seek growth by adding value to the customer, not through excessive leverage or accounting gimmickry.

Your trust and support are appreciated.

Jeff Auxier

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.

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.

Terminology

Work-Outs are securities that are more dependent upon a managerial event with a timetable (such as Mergers, liquidations, reorganizations).