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J. Jeffrey Auxier

AUXIER FOCUS FUND
PERFORMANCE UPDATE
December 31, 2010

AUXFX RETURNS VS. S&P 500 INDEX

	Auxier Focus Fund	S&P 500 Index	Difference*
09/30/10 – 12/31/10	5.30%	10.76%	-5.46
12/31/09 – 12/31/10	10.10%	15.06%	-4.96
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 (*Cumulative*)	102.22%	10.15%	92.07

* in percentage points

Average Annual Returns for the period ended 12/31/2010	1 Year	3 Year	5 Year	10 Year	Since Inception
Auxier Focus Fund (Investor Shares)	**10.10%**	**1.21%**	**4.14%**	**6.56%**	**6.33% (7/9/99)**
S&P 500 Index	**15.06%**	**-2.86%**	**2.29%**	**1.41%**	**0.85%**

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.

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. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.

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.

Year End 2010

Market Commentary

Auxier Focus Fund returned 5.3% in the fourth quarter 2010, versus 10.76% for Standard & Poor's 500 Index (S&P). The Fund's exposure to stocks for the quarter averaged about 74%. The remainder, mostly senior debt securities purchased in 2009, failed to keep pace with a very strong domestic stock market. For the year the Fund returned 10.1% compared with 15.06% for the S&P. The average equity exposure for the year was close to 74%. Since inception in 1999, the Fund has outperformed the market by 92 percentage points cumulatively, confirming our objective to match bull markets while dramatically outperforming bearish ones. In the face of the Federal Reserve's zero interest rate policy, we are concerned that sound capital allocation can be distorted by the belief that such low interest rates are normal and permanent. We are mindful that, in general, two years of 50% returns, followed by a 50% annual decline, would trail a steady 8% return over the same three-year period. The Fund enjoys a flexible mandate to move where the bargains are most compelling.

All Aboard the QE2 Economy

During the quarter, the Fed announced a second-stage economy booster in the form of $600 billion in quantitative easing (the oft-cited QE2). In addition, decisive political election results provided a counterforce to the growing threat of socialism. The extension of low tax rates also emboldened equity markets. The current macroeconomic environment is somewhat similar to 1994, when the country was recovering from a major financial stumble (Thrift Crisis). The Clinton Administration's strong push toward socialism and regulation was thwarted by landslide congressional mid-term victories in both Houses of Congress, moving the country back to the middle of the political spectrum. A strong three-year performance for large-cap U.S. stocks ensued. Another material positive back then was the "peace dividend" accruing from the reversal of Gulf War spending. Continuing U.S. withdrawal from Iraq should yield some beneficial savings too.

The stimulative backdrop has helped businesses restructure and survive the worst recession since the 1930s depression, yielding surprisingly strong profits and profit margins. Also rewarded are companies focused on providing exceptional value to customers via superior products or services (as contrasted with those utilizing creative financial engineering).

Education, oil drilling, health insurers and medical devices are among the industries burdened by proposed onerous government regulations. This had led to some bargain stock prices. Just as in 1994, a move toward the political center can mean a push back against regulation that hampers businesses and job growth. Gloomy headlines provide attractive entry points for stocks—especially when the companies are experiencing improving fundamentals and cash flows. The change in perception from "horrible" to just plain "bad" can be a very profitable trade.

Our Favorite Inflation Hedge

Buying commodities at 30-year highs does not seem to us like a great inflation hedge at this time. Over the long term, commodities typically have traded close to their marginal cost of production as advances in technology have dramatically improved productive output. Copper currently trades at triple its cost of production. Much of the incremental demand has come from China, which mandated over $1.6 trillion of lending into its $5 trillion economy. Such a dramatic build-up in borrowed money is troublesome. Eventually rising inputs (steel prices are projected to rise over 40% this year: *Financial Times*) spoil the party by leading to relaxed lending standards and deteriorating loan quality. Over $500 billion has been channeled into commodity ETFs (*Trim Tabs Investment Research*). But as China tightens, that could turn around.

Money flowed into U.S. bond funds for 99 straight weeks in response to the Fed's zero rate policy—this in the face of a depreciating currency and deteriorating fundamentals (*Trim Tabs Investment Research*). The trend has recently reversed, with December showing some of the worst bond losses in years (*Standard & Poor's*). Markets will reward good behavior and also punish those that violate the laws of economics. Holding rates at zero for over 24 months now has led to market distortions in both bonds and commodities. Over the past century commodity markets have had a tendency to peak every thirty years: 1981, 1951, and 1921. The final stages are often marked by parabolic price rises. Contrary to the current consensus, if history is any guide, commodities may be too overpriced to provide a reliable inflation hedge.

We would rather bet on the bargain purchase of a mundane business that enjoys steady demand and inspired management. Ideally these businesses have low mandatory capital spending, rapid inventory turns, and high levels of free cash flow. Quality companies tend to go out-of-favor during periods of heightened speculation. Commodities pay no cash and will suffer if the real return on bonds increases. Better to aim for a "double-play" investment, where a stock is purchased in times of panic or distress, then returns to a premium valuation, helping outstrip the ravages of inflation. Operational excellence is highly rewarded in today's market.

Flip Side of Extreme Leverage

Despite over $300 billion in annual subsidies, the decline in U.S. housing prices since the 2006 peak recently exceeded the 1928-1933 bust. As of November, Phoenix homes were down 54 percent on average from the peak, Las Vegas down 57 percent, Miami down over 48 percent (*RealtyTrac*). No matter what the class of investment, the level of risk increases if you add extreme amounts of borrowed money. There is a misperception that government bonds can't default. Not so, as states are facing shortfalls approaching $1 trillion (*Moody's*). All this underscores the need to aggressively monitor the balance sheets of your investments. Problems in housing remind us of the twin perils of excessive leverage plus distortions to supply and demand (where the free market is unable to clear excess inventory).

Opportunities in 2011 and Beyond

High quality stocks should benefit from increasing dividend payout ratios and low relative valuations. In time, rising risk premiums on bonds should cool speculation, aiding investors focused on fundamentals and cash flow. As markets become more expensive we tend to gravitate toward defensive positions —special situations where the return is more dependent on, for example, managerial acumen than the general supply/demand fluctuations of markets. These include work-outs, breakups, spinoffs and post-bankruptcy IPOs (initial public offerings). As governments are forced to restructure in the face of ominous debt loads, there may be a generational buying opportunity ahead in the downtrodden municipal bonds. Bargains could abound because financial disclosure is scant and less than 20% of the $2.8 trillion muni market is rated (*Moody's*). Since the recent elections where Republicans at the state level had the biggest sweep in eighty years, there is a push for wider applications of the Chapter 9 Municipal Bankruptcy Code as a restructuring tool for states. The threat is whether California and Illinois fail to get their fiscal houses in order and need to be bailed out. Such a debacle could undermine the reserve status of the U.S. dollar and lead to a buying opportunity on par with the corporate bond fire-sale two years ago. Generally, rapid and unsustainable growth in liabilities —for any entity—leads to some form of crisis or panic. As long–term investors, we want to identify such imbalances and be prepared to act when the investment class becomes hopelessly out of favor. Stay tuned.

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. 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.