
Auxier Focus Fund

Semi-Annual Report

**December 31, 2013
(Unaudited)**

Fund Adviser:

Auxier Asset Management LLC
5285 Meadows Road
Suite 333
Lake Oswego, Oregon 97035

Toll Free: (877) 3AUXIER or (877) 328-9437

AUXIER FOCUS FUND
PERFORMANCE UPDATE
December 31, 2013

ANNUALIZED

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	7.56%	7.26%	14.32%	12.43%	23.81%
S&P 500 Index®	3.85%	7.41%	17.94%	16.18%	32.39%

CUMULATIVE

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	187.41%	101.61%	95.23%	42.13%	23.81%
S&P 500 Index	72.74%	104.30%	128.19%	56.82%	32.39%

* 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 Auxier Focus Fund's (the "Fund") Investor Class Share's annual operating expense ratio (gross) is 1.28%. The Fund's adviser has contractually agreed to waive a portion of its fee and/or reimburse Fund expenses to limit total annual operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend expenses on short sales, and extraordinary expenses) to 1.25%, which is in effect until October 31, 2015. Other share classes may vary. The Fund charges a 2.00% 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 Advisor'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.

Year End 2013 Commentary

Auxier Focus Fund returned 7.63% in fourth quarter 2013 and 23.81% for the year. The Standard & Poor's 500 Stock Index gained 10.51% for the quarter and 32.39% for the year. As of December 31, 2013 the Fund was positioned in 74% U.S. equities, 2% fixed income, 14% foreign stocks and 10% cash. Since the Fund's founding (July 9, 1999), a hypothetical \$10,000 investment would have grown to \$28,741 vs. just \$17,274 for the S&P 500. That's a 159% performance advantage over the period. We continue to view the power of compounding as our most important focus. We designed the Fund to have a wide and flexible investment mandate in seeking compelling value for the portfolio.

Profiting From Powerful Tailwinds

The fourth quarter saw continued economic strength in autos, housing, energy production and energy exports. Improved consumer confidence helped fuel the fastest increase in consumer spending in three years. The boom in energy exports is materially adding to the strength of the U.S. economy (1% to GDP). A key to market valuations is the inflation rate, which for the full year still registered less than 2% at both the producer and consumer level. Corporate earnings advanced less than 7% for 2013. But a combination of factors encouraged investors to pay higher multiples of earnings overall in the equity markets. The factors include the Federal Reserve's accommodative monetary policy, low inflation, lower commodity costs, and moderate capital spending. Reflecting this low inflation environment, the price of gold fell 28% and Treasury Inflation-Protected Securities

(TIPS) slipped 8.6%. In peace time we often have had deflation, in part because advances in technology and free markets have helped to keep a lid on prices. On a recent agriculture research trip, I was amazed at new innovation including drones, driverless tractors and GPS. The output is impressive. In a free functioning economy, there is more risk in productivity gluts—not shortages.

We are constantly monitoring the supply and demand, the cause and effect in different markets. The U.S. Federal Reserve purchased some \$1 trillion in net assets in 2013. In addition, corporate stock buybacks were close to \$500 billion (much with borrowed money). That amount is second only to 2007 when \$589 billion was retired. The combined \$1.5 trillion in buying power can meaningfully move markets. Unfortunately, there are no guarantees that these actions by the Fed and corporations are necessarily wise moves. After the 2007 record buyback, stocks plummeted over 40%. Remember, everyone looks like a financial genius using leverage in an up market.

Portfolio Highlights

Healthcare stocks in the Fund had a strong fourth quarter and year. CVS's 26% performance for the quarter is reflective of the fact that 10,000 Americans turn 65 every day and will for the next 15 years. Businesses that are able to serve this growing segment with improving service, innovation, technology, product quality and value should continue to win. Many of the healthcare names that we "planted" a couple of years ago in the height of panic have been returning to favor. Abbott Labs, Johnson & Johnson and Merck are a few examples of the value added by a "shrink to grow" managerial behavior. MasterCard and Visa are enjoying the trend away from cash and toward digital payments—although they are now looking more fully priced. Split offs and spin offs in the energy sector led to exciting returns as Valero rose 48% for the quarter while spinning off CST Brands. Companies like ConocoPhillips and British Petroleum have been breaking up, pruning low returning assets and returning the proceeds to shareholders in the form of higher dividends and buybacks. Such "event driven" investments are very important when prices are high as the returns are less dependent on the overall supply and demand of the market. Fund performance has been negatively impacted by turnarounds like global supermarket operator Tesco PLC. Retailers in general, even world-class operators, are suffering from a glut of stores fostered by a rapid transformation to online and mobile shopping. While we don't see much more downside, the execution has been disappointing—slower than expected. Over the long term this approach to buying high-quality assets during distressed times has been a winner. It is often difficult to gauge the timeline.

Top Holdings on 12/31/2013	% Assets
Molson Coors Brewing	3.8
Tesco	3.2
Pepsico	3.1
Bank of New York Mellon	2.6
BP (British Petroleum)	2.2
America Movil	2.2
Philip Morris	2.1
Telefonica	2.0
Merck	2.0
Microsoft	1.9

Healthcare stocks in the Fund had a strong fourth quarter and year. CVS's 26% performance for the quarter is reflective of the fact that 10,000 Americans turn 65 every day and will for the next 15 years. Businesses that are able to serve this growing segment with improving service, innovation, technology, product quality and value should continue to win. Many of the healthcare names that we "planted" a couple of years ago in the height of panic have been returning to favor. Abbott Labs, Johnson & Johnson and Merck are a few examples of the value added by a "shrink to grow" managerial behavior. MasterCard and Visa are enjoying the trend away from cash and toward digital payments—although they are now looking more fully priced. Split offs and spin offs in the energy sector led to exciting returns as Valero rose 48% for the quarter while spinning off CST Brands. Companies like ConocoPhillips and British Petroleum have been breaking up, pruning low returning assets and returning the proceeds to shareholders in the form of higher dividends and buybacks. Such "event driven" investments are very important when prices are high as the returns are less dependent on the overall supply and demand of the market. Fund performance has been negatively impacted by turnarounds like global supermarket operator Tesco PLC. Retailers in general, even world-class operators, are suffering from a glut of stores fostered by a rapid transformation to online and mobile shopping. While we don't see much more downside, the execution has been disappointing—slower than expected. Over the long term this approach to buying high-quality assets during distressed times has been a winner. It is often difficult to gauge the timeline.

In this age of exchange traded funds (ETFs) we continue to price each individual portfolio security by hand every day. We start with a deep study of the balance sheet of each holding. Famed physicist Albert Einstein said, "compound interest was not only man's greatest invention, but it was the most powerful force on earth." We don't want to leave our results to chance. Warren Buffett has said, risk management is too important to be left to a committee, and risk is not knowing what you are doing. Just as "velocity banking" led to a misunderstanding of risk, I fear the mentality of "velocity investing" through the proliferation of financial products could end badly because the process of price discovery is very difficult. That may be a fair characterization of a great percentage of market participants today. We want to work to maintain high odds of success through dedicated research on each holding over years, not days.

We have been attracted in the past couple of years by stock prices in the UK, as well as the leadership of Prime Minister David Cameron. He has moved toward privatizations (e.g., post office), cutting of taxes and reducing regulations. We see opportunity in the consolidation of the European cable and phone industries. Mexico is

embarking on some hugely positive policies, unleashing new competition into industries like energy, education, and telecommunications.

Benefiting From Global Insecurity

The dangers of poor economic leadership are much more visible today in countries like Argentina and Venezuela that have moved away from free markets and toward policies favoring government control. The result: shortages, currency devaluations and surging inflation. *Grants Interest Rate Observer* (1/24/2014) recently did an excellent job highlighting the problems of a Chinese command economy, where the mandate was rapid growth in Chinese lending.

Writes Grants: “The world has never seen the likes of China’s credit frenzy. From year-end 2008 through the third quarter of 2013, assets on the balance sheets of Chinese banks grew by \$15.1 trillion to \$24.3 trillion. That growth in assets is greater than today’s \$14.6 trillion stock assets at America’s commercial banks. For further perspective, China’s GDP is reported to sum to \$8.9 trillion, America’s to \$16.7 trillion (U.S. national income data should be taken with a grain of salt; for China’s, empty the cellar). China’s bank footings represent 33.1% of world GDP, though China’s economic output amounts to just 12.2% of world GDP. In 1994, when Japan had the world on a string, Japanese output peaked at 17.9% of global production; in the same year, Japanese banking assets topped out at 27.3% of world GDP. Nineteen years later, Japan’s share of earthly GDP has shrunk to 6.8%, its banking assets to 11.8% of that all-in figure.”

We may be in a period like 1995. Recall that the U.S. was perceived to be a stronger and safer bet, blessed with our rule of law and business ethics, after the economic downturn in Japan and the 50% Mexican Peso devaluation in 1994. As the Fed withdraws stimulus, more emerging market devaluations could follow, leading investors to favor high-quality U.S. based corporations. In addition, the U.S. has a large but unpublicized peace dividend with the winding down of two wars. One must not underestimate the dramatic positive effect of North American energy independence. In fact, since 1976 the U.S. has committed over \$7 trillion in resources related to defending Middle East oil. That is a lot of capex! The new technology in energy production (hydraulic fracking, horizontal drilling, and alternatives) should greatly diminish the need for such massive spending in the Middle East going forward. This in turn can be reinvested in more jobs, creating apprenticeships, etc.

Outlook

On a short term basis, the U.S. market is long overdue for a correction. Bullish sentiment has reached extremes (61.6%, according to *Investors Intelligence*) and margin debt has reached peak levels. With companies like Twitter selling over sixty times sales and 400 days without a meaningful correction, a pullback is needed and healthy. We are mindful of the “electronic herd,” having navigated through numerous crashes in the past thirty years. Easy money has always led to misallocations of capital. As the Fed returns to a more normalized posture, the unwinding of carry trades across the globe will take place leading to market disruptions as the market purges excesses. Whenever investors forget about “price” and allocate funds based on “momentum,” the margin of safety diminishes, especially when combined with borrowed money. It is helpful to revisit the March 2000 NASDAQ peak of 5048 and the subsequent drop to 1114 by the end of 2002, a decline of 78%. More recently the safety of gold has been questioned with a 28% drop—the worst in thirty years. The mindless stretch for extra yield is another killer of the compounded return. Whenever an asset class becomes popular, and thus overpriced, it is no longer safe. The math on compounding demands investors focus on the downside, as a 50% drop requires a 100% gain just to break even. There are exciting transformations taking place in the United States. Innovation-driven entrepreneurship is leading to what MIT researchers are calling a “second industrial revolution.” However, we prefer to fish among mundane, well nurtured businesses that utilize cutting edge technology to sell everyday products but are not magnets for fast moving capital. Those with a focus on execution, enhancing the customer

experience and building intrinsic shareholder value should do well in this period of heightened global transparency.

We appreciate your trust,

Jeff Auxier

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.

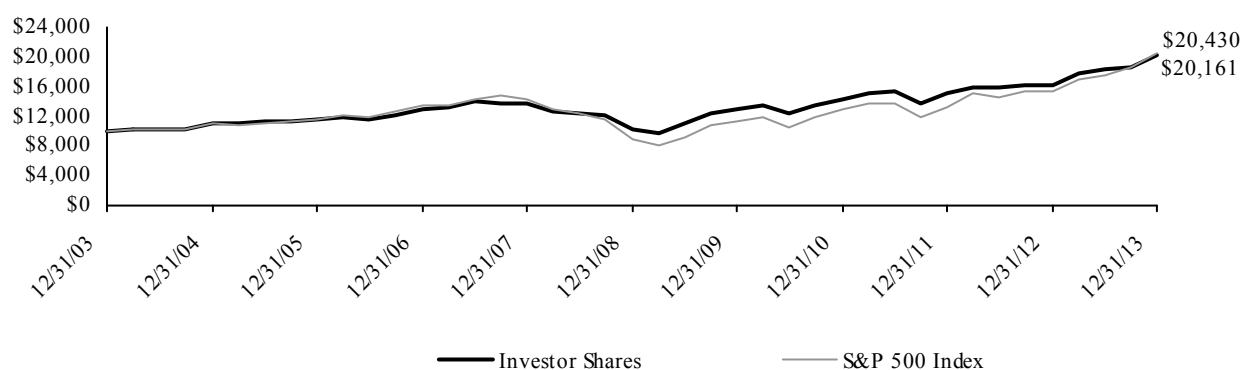
The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 widely held common stocks. One cannot invest directly in an index or average.

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.

AUXIER FOCUS FUND
PERFORMANCE CHART AND ANALYSIS
DECEMBER 31, 2013

The following chart reflects the change in the value of a hypothetical \$10,000 investment in Investor Shares, including reinvested dividends and distributions, in the Fund compared with the performance of the benchmark, the S&P 500 Index ("S&P 500"), over the past ten fiscal years. The S&P 500 is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The total return of the Fund's classes includes the maximum sales charge of 5.75% (A Shares only) and operating expenses that reduce returns, while the total return of the S&P 500 does not include the effect of sales charges and expenses. A Shares are subject to a 1.00% contingent deferred sales charge on shares purchased without an initial sales charge and redeemed less than one year after purchase. The total return of the S&P 500 includes the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the S&P 500 does not include expenses. The Fund is professionally managed while the S&P 500 is unmanaged and is not available for investment.

**Comparison of Change in Value of a \$10,000 Investment
Investor Shares vs. S&P 500 Index**



Average Annual Total Returns Periods Ended December 31, 2013:	1 Year	5 Years	10 Years	Since Inception ⁽¹⁾
Investor Shares	23.81%	14.32%	7.26%	7.56%
S&P 500 Index (Since July 9, 1999)	32.39%	17.94%	7.41%	3.85%
A Shares (with sales charge) ⁽²⁾⁽³⁾	16.72%	12.95%	6.63%	7.12%
Institutional Shares ⁽³⁾	24.17%	14.40%	7.30%	7.59%

⁽¹⁾ Investor, A Shares and Institutional Shares commenced operations on July 9, 1999, July 8, 2005, and May 9, 2012, respectively.

⁽²⁾ Due to shareholder redemptions on August 21, 2005, net assets of the class were zero from the close of business on that date until September 22, 2005. Financial information presented for the period August 21, 2005 to September 22, 2005 reflects performance of Investor Shares of the Fund.

⁽³⁾ For A Shares and Institutional Shares, performance for the 5-year, 10-year and since inception periods are blended average annual returns which include the returns of the Investor Shares prior to commencement of operations of the A Shares and Institutional Shares. For Institutional Shares, performance for the 1-year period is a blended average annual which includes the return of the Investor Shares prior to commencement of operations of the Institutional Shares.

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 shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please visit the website of the Fund's investment adviser at www.auxierasasset.com or call (877) 328-9437. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Institutional Shares, Investor Shares and A Shares, respectively are 1.55%, 1.28% and 1.62%, respectively. However, the Fund's adviser has agreed to contractually reduce a portion of its fees and to reimburse expenses such that total operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend expenses on short sales, and extraordinary expenses) do not exceed 1.00%, 1.25% and 1.25% for Institutional Shares, Investor Shares and A Shares, respectively, through October 31, 2015. Shares redeemed or exchanged within 180 days of purchase will be charged a 2.00% redemption fee. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized.

Performance for Investor Shares for periods prior to December 10, 2004, reflects performance and expenses 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.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2013

Shares	Security Description	Value	Shares	Security Description	Value
Common Stock – 87.7%			100	Nestle SA, ADR	\$ 7,359
Communications - 6.8%			115,360	PepsiCo, Inc.	9,567,958
290,875	America Movil SAB de CV, ADR	\$ 6,797,749	75,645	Philip Morris International, Inc.	6,590,949
20,025	Cisco Systems, Inc.	449,561	109,029	PRGX Global, Inc. (a)	732,675
276,750	Corning, Inc.	4,931,685	588,021	Tesco PLC, ADR	9,902,274
500	Deutsche Telekom AG, ADR	8,630	66,500	The Coca-Cola Co.	2,747,115
15,499	DIRECTV (a)	1,070,826	1,100	The JM Smucker Co.	113,982
2,500	News Corp., Class A (a)	45,050	119,084	The Kroger Co.	4,707,390
443,505	Oi SA, ADR	705,173	59,925	The Procter & Gamble Co.	4,878,494
35,794	Oi SA, ADR	58,702	207,240	The Western Union Co.	3,574,890
386,300	Telefonica SA, ADR	6,312,142	99,000	Unilever NV, ADR	3,982,770
10,000	Twenty-First Century Fox, Inc.	351,800			85,708,217
3,000	Viacom, Inc., Class B	262,020			
		20,993,338	Energy - 4.8%		
Consumer Discretionary - 11.9%			9,635	Apache Corp.	828,032
132,579	Apollo Group, Inc., Class A (a)	3,622,058	143,710	BP PLC, ADR	6,985,743
111,150	Arcos Dorados Holdings, Inc.	1,347,138	16,750	Chevron Corp.	2,092,243
26,974	Bridgepoint Education, Inc. (a)	477,710	15,600	ConocoPhillips	1,102,140
39,380	Coach, Inc.	2,210,399	9,200	Exxon Mobil Corp.	931,040
37,860	Comcast Corp., Class A	1,967,395	800	Lukoil OAO, ADR	50,496
42,522	CST Brands, Inc.	1,561,408	11,700	Petroleo Brasileiro SA, ADR	161,226
51,490	CVS Caremark Corp.	3,685,139	7,800	Phillips 66	601,614
1,547	Discovery Communications, Inc., Class A (a)	139,880	22,550	Transocean, Ltd.	1,114,421
1,547	Discovery Communications, Inc., Class C (a)	129,731	19,100	Valero Energy Corp.	962,640
2,087	Gruma S.A.B. de C.V., ADR (a)	63,612			14,829,595
175,590	H&R Block, Inc.	5,099,134	Financials - 13.5%		
2,640	Jamba, Inc. (a)	32,815	42,250	Aflac, Inc.	2,822,300
249,878	Lincoln Educational Services Corp.	1,244,392	39,000	American International Group, Inc.	1,990,950
28,000	Lowe's Cos., Inc.	1,387,400	1,280	Ameriprise Financial, Inc.	147,264
12,750	McDonald's Corp.	1,237,133	179,083	Bank of America Corp.	2,788,322
23,830	Newell Rubbermaid, Inc.	772,330	16,000	Berkshire Hathaway, Inc., Class B (a)	1,896,960
8,800	NIKE, Inc., Class B	692,032	76,724	Central Pacific Financial Corp.	1,540,618
3,250	Sally Beauty Holdings, Inc. (a)	98,248	23,790	Credit Suisse Group AG, ADR	738,442
784	The Andersons, Inc.	69,909	80,175	Franklin Resources, Inc.	4,628,503
6,725	The Home Depot, Inc.	553,737	6,000	Julius Baer Group, Ltd., ADR	57,900
290	Time Warner Cable, Inc.	39,295	24,900	Legg Mason, Inc.	1,082,652
12,650	Time Warner, Inc.	881,958	52,390	Marsh & McLennan Cos., Inc.	2,533,580
19,958	Universal Technical Institute, Inc.	277,616	6,950	Mastercard, Inc., Class A	5,806,447
62,000	Wal-Mart Stores, Inc.	4,878,780	12,745	Mercury General Corp.	633,554
117,552	Weight Watchers International, Inc.	3,870,987	500	The Allstate Corp.	27,270
8,600	Yum! Brands, Inc.	650,246	227,600	The Bank of New York Mellon Corp.	7,952,344
		36,990,482	38,418	The Travelers Cos., Inc.	3,478,366
Consumer Staples - 27.6%			7,350	U.S. Bancorp	296,940
40,600	AbbVie, Inc.	2,144,086	3,974	Unum Group	139,408
4,400	Alkermes PLC (a)	178,904	8,900	Visa, Inc., Class A	1,981,852
456,378	Alliance One International, Inc. (a)	1,391,953	23,000	Waddell & Reed Financial, Inc., Class A	1,497,760
62,500	Altria Group, Inc.	2,399,375	500	Wells Fargo & Co.	22,700
171,952	Avon Products, Inc.	2,961,013			42,064,132
19,200	Baxter International, Inc.	1,335,360	Health Care - 14.8%		
15,100	British American Tobacco PLC, ADR	1,622,042	42,600	Abbott Laboratories	1,632,858
13,200	Coca-Cola HBC AG ADR	385,044	29,400	Becton Dickinson and Co.	3,248,406
1,004	Columbia Sportswear Co.	79,065	55,725	GlaxoSmithKline PLC, ADR	2,975,158
5,660	ConAgra Foods, Inc.	190,742	310,867	Health Management Associates, Inc., Class A (a)	4,072,358
9,375	Diageo PLC, ADR	1,241,437	53,450	Johnson & Johnson	4,895,485
38,050	Dr. Pepper Snapple Group, Inc.	1,853,796	1,000	Laboratory Corp. of America Holdings (a)	91,370
49,228	Express Scripts Holding Co. (a)	3,457,775	98,753	Medtronic, Inc.	5,667,435
133,585	Hospira, Inc. (a)	5,514,389	122,710	Merck & Co., Inc.	6,141,635
20,100	Kelly Services, Inc., Class A	501,294	78,782	Pfizer, Inc.	2,413,093
3,950	Manpowergroup, Inc.	339,147	54,267	Quest Diagnostics, Inc.	2,905,455
208,132	Molson Coors Brewing Co., Class B	11,686,612	63,674	UnitedHealth Group, Inc.	4,794,652
13,862	Mondelez International, Inc., Class A	489,329	27,221	WellPoint, Inc.	2,514,948
15,600	Monster Beverage Corp. (a)	1,057,212	50,900	Zimmer Holdings, Inc.	4,743,371
3,660	National Beverage Corp. (a)	73,786			46,096,224

See Notes to Financial Statements.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2013

Shares	Security Description	Value	Principal	Security Description	Rate	Maturity	Value
Industrials - 1.9%			Financials - 0.1%				
21,550	AGCO Corp.	\$ 1,275,544	\$ 260,000	Janus Capital Group, Inc.	6.70%	06/15/17	\$ 289,755
22,030	Brady Corp., Class A	681,388	65,000	Zions Bancorporation	5.50	11/16/15	68,699
1,210	Deere & Co.	110,509					358,454
19,000	General Electric Co.	532,570					
12,500	Raytheon Co.	1,133,750					
3,500	Textainer Group Holdings, Ltd.	140,770					
3,550	The Boeing Co.	484,540					
14,450	United Parcel Service, Inc., Class B	1,518,406					
		<u>5,877,477</u>					
Information Technology - 3.7%			Health Care - 0.2%				
52,325	Intel Corp.	1,358,357	400,000	Health Management Associates, Inc.	7.38	01/15/20	449,500
159,114	Microsoft Corp.	5,955,637					
82,320	Oracle Corp.	3,149,563					
19,902	Paychex, Inc.	906,138					
		<u>11,369,695</u>					
Materials - 2.2%			Materials - 0.2%				
28,050	E.I. du Pont de Nemours & Co.	1,822,409	505,000	Weyerhaeuser Co.	7.95	03/15/25	617,816
7,000	LyondellBasell Industries NV, Class A	561,960					
19,175	Newmont Mining Corp.	441,600					
6,400	Precision Castparts Corp.	1,723,520					
47,350	The Dow Chemical Co.	2,102,340					
14,000	Vale SA, ADR	213,500					
		<u>6,865,329</u>					
Telecommunications - 0.4%			Utilities - 0.1%				
27,300	AT&T, Inc.	959,868	255,000	Energy Future Holdings Corp.	9.75	10/15/19	182,325
7,335	Verizon Communications, Inc.	360,442	312,000	Energy Future Intermediate Holding Co., LLC (c)	9.75	10/15/19	237,120
		<u>1,320,310</u>					419,445
Utilities - 0.1%			Total Corporate Non-Convertible Bonds				
5,616	FirstService Corp.	241,656	(Cost \$4,429,640)				
		<u>241,656</u>	5,029,679				
Total Common Stock			Foreign Municipal Bonds - 0.1%				
(Cost \$191,296,100)			356,000 Ontario Hydro Residual Strip (Canada) (d)				
		<u>272,356,455</u>	5.47-5.65 11/27/20				
			235,000 Ontario Hydro Residual Strip (Canada) (d)				
			5.75 08/18/22				
			Total Foreign Municipal Bonds				
			(Cost \$300,757)				
			431,303				
			Municipal Bonds - 0.1%				
			Ohio - 0.1%				
			550,000 Buckeye Tobacco Settlement Financing Authority (Cost \$376,512)				
			5.88 06/01/47				
			409,029				
			Total Investments - 89.9%				
			(Cost \$197,388,009)*				
			\$ 279,322,771				
			Other Assets & Liabilities, Net - 10.1%				
			\$ 31,392,907				
			Net Assets - 100.0%				
			\$ 310,715,678				
			ADR American Depositary Receipt				
			LLC Limited Liability Company				
			PLC Public Limited Company				
			(a) Non-income producing security.				
			(b) Variable rate security. Rate presented is as of December 31, 2013.				
			(c) Security fair valued in accordance with procedures adopted by the Board of Trustees. At the period end, the value of these securities amounted to \$237,120 or 0.1% of net assets.				
			(d) Zero coupon bond. Interest rate presented is yield to maturity.				

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2013

* Cost for federal income tax purposes is substantially the same as for financial statement purposes and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 87,946,645
Gross Unrealized Depreciation	(6,011,883)
Net Unrealized Appreciation	<u>\$ 81,934,762</u>

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2013.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in Note 2 of the accompanying Notes to Financial Statements.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments At Value				
Common Stock				
Communications	\$ 20,993,338	\$ -	\$ -	20,993,338
Consumer				
Discretionary	36,990,482	-	-	36,990,482
Consumer Staples	85,708,217	-	-	85,708,217
Energy	14,829,595	-	-	14,829,595
Financials	42,064,132	-	-	42,064,132
Health Care	46,096,224	-	-	46,096,224
Industrials	5,877,477	-	-	5,877,477
Information				
Technology	11,369,695	-	-	11,369,695
Materials	6,865,329	-	-	6,865,329
Telecommunications	1,320,310	-	-	1,320,310
Utilities	241,656	-	-	241,656
Preferred Stock	-	1,096,305	-	1,096,305
Corporate Non-Convertible Bonds	-	4,792,559	237,120	5,029,679
Foreign Municipal Bonds	-	431,303	-	431,303
Municipal Bonds	-	409,029	-	409,029
Total Investments At Value	<u>\$272,356,455</u>	<u>\$6,729,196</u>	<u>\$237,120</u>	<u>\$279,322,771</u>

The following is a reconciliation of Level 3 investments which significant unobservable inputs were used to determine fair value.

	<u>Corporate Non-Convertible Bonds</u>
Balance as of 06/30/13	\$ -
Change in Unrealized Appreciation / (Depreciation)	(63,960)
Transfers In	301,080
Balance as of 12/31/13	<u>\$ 237,120</u>
Net change in unrealized depreciation from investments held as of 12/31/13**	<u>\$ (63,960)</u>

** The unrealized depreciation is included in net change in unrealized appreciation (depreciation) on investments in the accompanying Statement of Operations.

The Fund utilizes the end of period methodology when determining transfers in or out of the Level 3 category.

There were no transfers between Level 1 and Level 2 for the period ended December 31, 2013.

PORTFOLIO HOLDINGS

% of Net Assets	
Common Stock	87.7%
Preferred Stock	0.4%
Corporate Non-Convertible Bonds	1.6%
Foreign Municipal Bonds	0.1%
Municipal Bonds	0.1%
Cash and Other Net Assets	10.1%
	<u>100.0%</u>

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2013

ASSETS

Total investments, at value (Cost \$197,388,009)	\$ 279,322,771
Cash	32,204,415
Receivables:	
Fund shares sold	281,623
Investment securities sold	9,242
Dividends and interest	692,026
Prepaid expenses	22,182
Total Assets	312,532,259

LIABILITIES

Payables:	
Investment securities purchased	698,145
Fund shares redeemed	687,924
Distributions payable	90,337
Accrued Liabilities:	
Investment adviser fees	255,900
Trustees' fees and expenses	233
Fund services fees	36,322
Other expenses	47,720
Total Liabilities	1,816,581

NET ASSETS	\$ 310,715,678
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COMPONENTS OF NET ASSETS

Paid-in capital	\$ 227,891,937
Distributions in excess of net investment income	(219,960)
Accumulated net realized gain	1,108,939
Net unrealized appreciation	81,934,762
NET ASSETS	\$ 310,715,678

SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)

Investor Shares	15,078,262
A Shares	179,710
Institutional Shares	346,690

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*

Investor Shares (based on net assets of \$300,175,897)	\$ 19.91
A Shares (based on net assets of \$3,593,744)	\$ 20.00
A Shares Maximum Public Offering Price Per Share (net asset value per share/(100%-5.75%))	\$ 21.22
Institutional Shares (based on net assets of \$6,946,037)	\$ 20.04

*Shares redeemed or exchanged within 180 days of purchase are charged a 2.00% redemption fee.

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED DECEMBER 31, 2013

INVESTMENT INCOME

Dividend income (Net of foreign withholding taxes of \$19,299)	\$ 3,086,492
Interest income	314,393
Total Investment Income	<u>3,400,885</u>

EXPENSES

Investment adviser fees	1,505,631
Fund services fees	184,586
Transfer agent fees:	
Investor Shares	40,862
A Shares	622
Institutional Shares	51
Distribution fees:	
A Shares	3,681
Custodian fees	15,361
Registration fees:	
Investor Shares	9,795
A Shares	2,711
Institutional Shares	7,411
Professional fees	24,019
Trustees' fees and expenses	5,423
Miscellaneous expenses	125,881
Total Expenses	<u>1,926,034</u>
Fees waived and expenses reimbursed	<u>(54,392)</u>
Net Expenses	<u>1,871,642</u>

NET INVESTMENT INCOME

1,529,243

NET REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) on:	
Investments	4,050,165
Foreign currency transactions	49,468
Net realized gain	<u>4,099,633</u>
Net change in unrealized appreciation (depreciation) on investments	<u>24,883,725</u>

NET REALIZED AND UNREALIZED GAIN

28,983,358

INCREASE IN NET ASSETS FROM OPERATIONS

\$ 30,512,601

AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	<u>For the Six Months Ended December 31, 2013</u>		<u>For the Year Ended June 30, 2013</u>	
		<u>Shares</u>		<u>Shares</u>
OPERATIONS				
Net investment income	\$ 1,529,243		\$ 3,245,945	
Net realized gain	4,099,633		3,805,431	
Net change in unrealized appreciation (depreciation)	<u>24,883,725</u>		<u>30,379,936</u>	
Increase in Net Assets Resulting from Operations		<u>30,512,601</u>		<u>37,431,312</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income:				
Investor Shares	(3,247,269)		(3,345,187)	
A Shares	(30,251)		(20,863)	
Institutional Shares	(66,782)		(25,206)	
Net realized gain:				
Investor Shares	(6,549,711)		(1,800,956)	
A Shares	(73,681)		(13,195)	
Institutional Shares	<u>(149,889)</u>		<u>(9,775)</u>	
Total Distributions to Shareholders		<u>(10,117,583)</u>		<u>(5,215,182)</u>
CAPITAL SHARE TRANSACTIONS				
Sale of shares:				
Investor Shares	20,282,180	1,042,187	46,679,365	2,687,515
A Shares	1,183,673	61,175	327,028	19,179
Institutional Shares	1,341,763	66,056	4,058,596	226,829
Reinvestment of distributions:				
Investor Shares	9,563,734	488,464	5,041,540	301,707
A Shares	95,499	4,869	30,079	1,797
Institutional Shares	216,672	11,017	34,981	2,092
Redemption of shares:				
Investor Shares	(27,038,933)	(1,382,811)	(49,230,617)	(2,816,017)
A Shares	(42,324)	(2,168)	(132,450)	(7,863)
Institutional Shares	(295,937)	(15,112)	(340,053)	(18,753)
Redemption fees	<u>7,347</u>	<u>-</u>	<u>32,290</u>	<u>-</u>
Increase in Net Assets from Capital Share Transactions	<u>5,313,674</u>	<u>273,677</u>	<u>6,500,759</u>	<u>396,486</u>
Increase in Net Assets	<u>25,708,692</u>		<u>38,716,889</u>	
NET ASSETS				
Beginning of Period	<u>285,006,986</u>		<u>246,290,097</u>	
End of Period (Including line (a))	<u>\$ 310,715,678</u>		<u>\$ 285,006,986</u>	
(a) Undistributed (distributions in excess of) net investment income	<u>\$ (219,960)</u>		<u>\$ 1,595,099</u>	

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout each period.

	For the Six Months Ended December 31, 2013	For the Years Ended June 30,				
	2013	2012	2011	2010	2009(a)	
INVESTOR SHARES						
NET ASSET VALUE,						
Beginning of Period	\$ 18.59	\$ 16.49	\$ 16.45	\$ 13.49	\$ 12.16	\$ 14.22
INVESTMENT OPERATIONS						
Net investment income (b)	0.10	0.21	0.22	0.26	0.32	0.19
Net realized and unrealized gain (loss)	1.89	2.23	0.20(c)	3.00	1.27	(1.77)
Total from Investment Operations	1.99	2.44	0.42	3.26	1.59	(1.58)
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	(0.22)	(0.22)	(0.16)	(0.29)	(0.26)	(0.16)
Net realized gain	(0.45)	(0.12)	(0.23)	(0.01)	—	(0.32)
Total Distributions to Shareholders	(0.67)	(0.34)	(0.39)	(0.30)	(0.26)	(0.48)
REDEMPTION FEES (b)	—(d)	—(d)	0.01	—(d)	—(d)	—(d)
NET ASSET VALUE, End of Period	<u>\$ 19.91</u>	<u>\$ 18.59</u>	<u>\$ 16.49</u>	<u>\$ 16.45</u>	<u>\$ 13.49</u>	<u>\$ 12.16</u>
TOTAL RETURN	10.76%(e)	15.06%	2.84%	24.35%	12.99%	(10.92)%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of						
Period (000's omitted)	\$300,176	\$277,536	\$243,366	\$163,699	\$100,712	\$84,660
Ratios to Average Net Assets:						
Net investment income	1.01%(f)	1.22%	1.36%	1.68%	2.29%	1.53%
Net expense	1.25%(f)	1.25%	1.25%	1.25%	1.30%	1.35%
Gross expense (g)	1.27%(f)	1.28%	1.27%	1.25%	1.30%	1.35%
PORTFOLIO TURNOVER RATE	6%(e)	11%	8%	20%	15%	24%

(a) Effective November 1, 2008, C Shares were reclassified as Investor Shares. For the Period July 1, 2008 through November 1, 2008, total return for C shares was (12.68)%. For the aforementioned period, the annualized gross expenses and net expenses ratios were 2.35% and 2.10% respectively.

(b) Calculated based on average shares outstanding during each period.

(c) The net realized and unrealized gain (loss) per share does not correlate to the aggregate of the net realized and unrealized loss in the Statement of Operations for the year ended June 30, 2012, primarily due to the timing of the sales and repurchases of the Fund's shares in relation to fluctuating market values for the Fund's portfolio.

(d) Less than \$0.01 per share.

(e) Not annualized.

(f) Annualized.

(g) Reflects the expense ratio excluding any waivers and/or reimbursements.

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout each period.

	For the Six Months Ended December 31, 2013	For the Years Ended June 30,				
		2013	2012	2011	2010	2009
A SHARES						
NET ASSET VALUE,						
Beginning of Period	\$ 18.63	\$ 16.49	\$ 16.45	\$ 13.49	\$ 12.17	\$ 14.22
INVESTMENT OPERATIONS						
Net investment income (a)	0.10	0.21	0.22	0.25	0.32	0.18
Net realized and unrealized gain (loss)	1.89	2.24	0.21(b)	3.01	1.26	(1.75)
Total from Investment Operations	1.99	2.45	0.43	3.26	1.58	(1.57)
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	(0.17)	(0.19)	(0.16)	(0.29)	(0.26)	(0.16)
Net realized gain	(0.45)	(0.12)	(0.23)	(0.01)	—	(0.32)
Total Distributions to Shareholders	(0.62)	(0.31)	(0.39)	(0.30)	(0.26)	(0.48)
REDEMPTION FEES (a)	—(c)	—(c)	—(c)	—(c)	—(c)	—(c)
NET ASSET VALUE, End of Period	\$ 20.00	\$ 18.63	\$ 16.49	\$ 16.45	\$ 13.49	\$ 12.17
TOTAL RETURN (d)	10.75%(e)	15.06%	2.84%	24.35%	12.90%	(10.85)%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of						
Period (000's omitted)	\$3,594	\$2,158	\$1,694	\$660	\$157	\$148
Ratios to Average Net Assets:						
Net investment income	1.04%(f)	1.22%	1.39%	1.61%	2.29%	1.49%
Net expense	1.25%(f)	1.25%	1.25%	1.25%	1.30%	1.35%
Gross expense (g)	1.69%(f)	1.62%	1.52%	1.50%	1.55%	1.60%
PORTFOLIO TURNOVER RATE	6%(e)	11%	8%	20%	15%	24%

(a) Calculated based on average shares outstanding during each period.

(b) The net realized and unrealized gain (loss) per share does not correlate to the aggregate of the net realized and unrealized loss in the Statement of Operations for the year ended June 30, 2012, primarily due to the timing of the sales and repurchases of the Fund's shares in relation to fluctuating market values for the Fund's portfolio.

(c) Less than \$0.01 per share.

(d) Total return does not include the effect of front end sales charge or contingent deferred sales charge.

(e) Not annualized.

(f) Annualized.

(g) Reflects the expense ratio excluding any waivers and/or reimbursements.

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout each period.

	For the Six Months Ended December 31, 2013	For the Year Ended June 30, 2013	May 9, 2012 (a) through June 30, 2012
INSTITUTIONAL SHARES			
NET ASSET VALUE, Beginning of Period	\$ 18.66	\$ 16.50	\$ 16.27
INVESTMENT OPERATIONS			
Net investment income (b)	0.12	0.26	0.04
Net realized and unrealized gain (loss)	1.90	2.22	0.19
Total from Investment Operations	2.02	2.48	0.23
DISTRIBUTIONS TO SHAREHOLDERS FROM			
Net investment income	(0.19)	(0.20)	—
Net realized gain	(0.45)	(0.12)	—
Total Distributions to Shareholders	(0.64)	(0.32)	—
REDEMPTION FEES (b)	—(c)	—(c)	—(c)
NET ASSET VALUE, End of Period	<u>\$ 20.04</u>	<u>\$ 18.66</u>	<u>\$ 16.50</u>
TOTAL RETURN	10.86%(d)	15.28%	1.41%(d)
RATIOS/SUPPLEMENTARY DATA			
Net Assets at End of Period (000's omitted)	\$6,946	\$5,313	\$1,230
Ratios to Average Net Assets:			
Net investment income	1.26%(e)	1.48%	1.62%(e)
Net expense	1.00%(e)	1.00%	1.10%(e)
Gross expense (f)	1.51%(e)	1.55%	1.50%(e)
PORTFOLIO TURNOVER RATE	6%(d)	11%	8%(d)

-
- (a) Commencement of operations.
(b) Calculated based on average shares outstanding during each period.
(c) Less than \$0.01 per share.
(d) Not annualized.
(e) Annualized.
(f) Reflects the expense ratio excluding any waivers and/or reimbursements.

Note 1. Organization

The Auxier Focus Fund (the "Fund") is a diversified portfolio of Forum Funds (the "Trust"). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940 (the "Act"), as amended. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund's shares of beneficial interest without par value. The Fund currently offers three classes of shares: Investor Shares, A Shares and Institutional Shares. A Shares are offered at net asset value plus a maximum sales charge of 5.75%. A Shares are also subject to contingent deferred sales charge ("CDSC") of 1.00% on purchases without an initial sales charge and redeemed less than one year after they are purchased. Investor Shares and Institutional Shares are not subject to a sales charge. Investor Shares, A Shares and Institutional Shares commenced operations on July 9, 1999, July 8, 2005 and May 9, 2012, respectively. The Fund's investment objective is to provide long-term capital appreciation.

On August 27, 2008, the Board of Trustees of the Trust approved the conversion of the Fund's C Shares into Investor Shares. On November 1, 2008, each shareholder of C Shares received Investor Shares in a dollar amount equal to their investment in C Shares as of that date.

Note 2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increases and decreases in net assets from operations during the fiscal year. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

Security Valuation – Exchange-traded securities and over-the-counter securities are valued using the last quoted sale or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and ask price provided by independent pricing services. Non-exchange traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale, at the mean of the last bid and ask prices provided by independent pricing services. Debt securities may be valued at prices supplied by a fund's pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics such as rating, interest rate and maturity. Shares of open-end mutual funds are valued at net asset value ("NAV"). Short-term investments that mature in 60 days or less may be valued at amortized cost.

The Fund values its investments at fair value pursuant to procedures adopted by the Trust's Board of Trustees (the "Board") if (1) market quotations are insufficient or not readily available or (2) the adviser believes that the values available are unreliable. The Trust's Valuation Committee, as defined in the Fund's registration statement, performs certain functions as they relate to the administration and oversight of the Fund's valuation procedures. Under these procedures, the Valuation Committee convenes on a regular and ad-hoc basis to review such securities and considers a number of factors, including valuation methodologies and significant unobservable inputs, when arriving at fair value.

The Valuation Committee may work with the adviser to provide valuation inputs. In determining fair valuations, inputs may include market-based analytics which may consider related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant investment information. Adviser inputs may include an income-based approach in which the anticipated future cash flows of the investment are discounted in determining fair value. Discounts may also be applied based on the nature or duration of any restrictions on the disposition of the investments. The Valuation Committee performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

Fair valuation is based on subjective factors and, as a result, the fair value price of an investment may differ from the security's market price and may not be the price at which the asset may be sold. Fair valuation could result in a different Net Asset Value ("NAV") than a NAV determined by using market quotes.

The Fund has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various "inputs" used to determine the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 — quoted prices in active markets for identical assets

Level 2 — other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The aggregate value by input level, as of December 31, 2013, for the Fund's investments is included at the end of the Fund's Schedule of Investments.

Security Transactions, Investment Income and Realized Gain and Loss – Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Foreign dividend income is recorded on the ex-dividend date or as soon as possible after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding taxes, which are accrued as applicable. Interest income is recorded on an accrual basis. Premium is amortized and discount is accreted using the effective interest method. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

Foreign Currency Translations – Foreign currency amounts are translated into U.S. dollars as follows: (1) assets and liabilities at the rate of exchange at the end of the respective period; and (2) purchases and sales of securities and income and expenses at the rate of exchange prevailing on the dates of such transactions. The portion of the results of operations arising from changes in the exchange rates and the portion due to fluctuations arising from changes in the market prices of securities are not isolated. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Distributions to Shareholders – Distributions to shareholders of net investment income and net capital gains, if any, are declared and paid at least annually. Distributions to shareholders are recorded on the ex-dividend date. Distributions are based on amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by the Fund, timing differences and differing characterizations of distributions made by the Fund.

Federal Taxes – The Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code and to distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all of its net investment income and capital gains, if any, the Fund will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. The Fund files a U.S. federal income and excise tax return as required. A fund's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of December 31, 2013, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure.

Income and Expense Allocation – The Trust accounts separately for the assets, liabilities and operations of each of its investment portfolios. Expenses that are directly attributable to more than one investment portfolio are allocated among the respective investment portfolios in an equitable manner.

The Fund's class-specific expenses are charged to the operations of that class of shares. Income and expenses (other than expenses attributable to a specific class) and realized and unrealized gains or losses on investments are allocated to each class of shares based on the class' respective net assets to the total net assets of the Fund.

Redemption Fees – A shareholder who redeems shares within 180 days of purchase will incur a redemption fee of 2.00% of the current net asset value of shares redeemed, subject to certain limitations. The fee is charged for the benefit of the remaining shareholders and will be paid to the Fund to help offset transaction costs. The fee is accounted for as an addition to paid-in capital. The Fund reserves the right to modify the terms of or terminate the fee at any time. There are limited exceptions to the imposition of the redemption fee.

Commitments and Contingencies – In the normal course of business, the Fund enters into contracts that provide general indemnifications by the Fund to the counterparty to the contract. The Fund’s maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

Note 3. Fees and Expenses

Investment Adviser – Auxier Asset Management LLC (the “Adviser”), is the investment adviser to the Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee from the Fund at an annual rate of 1.00% of the Fund’s average daily assets.

Distribution – Foreside Fund Services, LLC serves as the Fund’s distributor (the “Distributor”). The Distributor is not affiliated with the Adviser or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) (“Atlantic”) or their affiliates. The Fund has adopted a Distribution Plan (the “Plan”) for A Shares of the Fund in accordance with Rule 12b-1 of the Act. Under the Plan, the Fund pays the Distributor and/or any other entity as authorized by the Board a fee of up to 0.25% of the average daily net assets of A Shares. The Distributor has no role in determining the investment policies or which securities are to be purchased or sold by the Trust or its Funds.

For the period ended December 31, 2013, there were \$48,327 in front-end sales charges assessed on the sale of A Shares and no contingent deferred sales charges were assessed on the sale of A Shares. The Distributor received \$9,179 of the total front-end sales charges. Such amounts are set aside by the Distributor and used solely for distribution-related expenses.

Other Service Providers – Atlantic provides fund accounting, fund administration, compliance and transfer agency services to the Fund. Atlantic also provides certain shareholder report production, and EDGAR conversion and filing services. Atlantic provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer, and an Anti-Money Laundering Officer to the Fund, as well as certain additional compliance support functions.

Trustees and Officers – The Trust pays each independent Trustee an annual retainer fee of \$45,000 for service to the Trust (\$66,000 for the Chairman). The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees’ fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

Note 4. Expense Reimbursements and Fees Waived

The Adviser has contractually agreed to waive a portion of its fees and reimburse expenses through October 31, 2015, to the extent necessary to maintain the total operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend expenses on short sales, and extraordinary expenses) at 1.25% of average daily net assets of the Investor Shares and A Shares and 1.00% of average daily net assets of Institutional Shares. These contractual waivers may only be raised or eliminated with consent of the Board. Other fund service providers have voluntarily agreed to waive a portion of their fees. These voluntary reductions may be reduced or eliminated at any time. For the period ended December 31, 2013, fees waived and expenses reimbursed were as follows:

<u>Investment Adviser Expenses Reimbursed</u>	<u>Other Waivers</u>	<u>Total Fees Waived and Expenses Reimbursed</u>
\$ 20,067	\$ 34,325	\$ 54,392

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

investments during the period ended December 31, 2013, were \$15,496,937 and \$16,424,043, respectively.

Note 6. Federal Income Tax and Investment Transactions

As of June 30, 2013, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$	2,014,198
Undistributed Long-Term Gain		3,369,242
Unrealized Appreciation		57,045,283
Total	\$	<u>62,428,723</u>

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to wash sales.

Note 7. Subsequent Events

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact and the Fund has had no such events.

Investment Advisory Agreement Approval

At the December 13, 2013 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement between the Adviser and the Trust pertaining to the Fund (the "Advisory Agreement"). In evaluating the Advisory Agreement for the Fund, the Board reviewed materials furnished by the Adviser and the administrator, including information regarding the Adviser's personnel, operations and financial condition. In addition, the Board noted that the evaluation process with respect to the Adviser is an ongoing one and, in this regard, the Board considered information received at each regularly scheduled meeting including, among other things, information concerning the Fund's performance and related services provided by the Adviser.

Specifically, the Board considered, among other matters: (1) the nature, extent and quality of the services to be provided to the Fund by the Adviser, including information on the investment performance of the Fund and Adviser; (2) the costs of the services to be provided and profitability to the Adviser with respect to its relationship with the Fund; (3) the advisory fee and total expense ratio of the Fund compared to a relevant peer group of funds; (4) the extent to which economies of scale may be realized as the Fund grows and whether the advisory fee enables the Fund's investors to share in the benefits of economies of scale; and (5) other benefits received by the Adviser from its relationship with the Fund. In their deliberations, the Board did not identify any particular information that was all-important or controlling and attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

Nature, Extent and Quality of Services

Based on a presentation from a senior representative of the Adviser, a due diligence process completed in writing by the Adviser and a discussion of the Adviser's personnel, operations and financial condition, the Board considered the quality of services provided by the Adviser under the Advisory Agreement between the Trust and the Adviser. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio manager and other personnel at the Adviser with principal investment responsibility for the Fund's investments as well as the investment philosophy and decision-making processes of those professionals and the capability and integrity of the Adviser's senior management and staff.

The Board further considered the adequacy of the Adviser's resources. The Board noted the Adviser's representation that the firm is financially stable and has the operational capability needed to provide investment advisory services to the Fund for the foreseeable future. Based on the presentation and the materials provided by the Adviser in connection with the Board's consideration of the renewal of the Advisory Agreement, the Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Fund under the Advisory Agreement.

Performance

In connection with a presentation by the Adviser regarding its approach to managing the Fund, the Board considered the 1-year, and since inception performance of the Fund compared to the S&P 500 Index, the Fund's benchmark. The Board noted, since the Fund's inception date of July 9, 1999 to September 30, 2013 it returned a cumulative 167.04% compared to a 56.31% cumulative return for the S&P 500 Index, during the same period. The Board noted that, for the 1 year period ended September 30, 2013, the Fund underperformed the S&P 500 index by returning 15.26% versus 19.34%. The Board also considered the Fund's performance relative to its Lipper Inc. ("Lipper") peer group, noting that, based on the preliminary information provided by Lipper, the Fund performed in the bottom half of its peers for the 1-year, 3-year and 5-year periods ended September 30, 2013. In considering the Fund's performance, the Board noted the Adviser's representation that it chooses the Fund's investments based in part on its strong aversion to capital impairment and an appreciation for the benefits of compounding. Noting the Fund's asset growth and, the Adviser's investment style and based on the foregoing, the Board determined that the Adviser's management of the Fund could benefit the Fund and its shareholders.

Compensation

The Board considered the Adviser's compensation for providing advisory services to the Fund and analyzed comparative information on fee rates, expenses and performance of similar mutual funds. The Board noted that the Adviser's actual advisory fee rate and actual total expenses for the Fund were above the median advisory fee rate of its Lipper peer group. Noting the Fund's asset growth, the Board concluded that the Adviser's advisory fee rate charged to the Fund appeared to be within a reasonable range in light of the services it provides to the Fund.

Costs of Services and Profitability

The Board considered information provided by the Adviser regarding its costs of services and its profitability with respect to the Fund. In this regard, the Board considered the Adviser's resources devoted to the Fund as well as the Adviser's discussion of costs and profitability. Based on these and other applicable considerations, the Board concluded that the Adviser's profits attributable to management of the Fund were reasonable in the context of all factors considered.

Economies of Scale

The Board considered whether the Fund would benefit from any economies of scale. In this respect, the Board noted the Adviser's representation that the Fund potentially could benefit from economies of scale as assets grow, but the Adviser currently is not proposing breakpoints or changes in fees at this time. Based on the foregoing information, the Board concluded that economies of scale were not a material factor in approving the Advisory Agreement.

Other Benefits

The Board noted the Adviser's representation that, aside from its contractual advisory fees, it does not benefit in a material way from its relationship with the Fund. Based on the foregoing representation, the Board concluded that other benefits received by the Adviser from its relationship with the Fund were not a material factor to consider in approving the continuation of the Advisory Agreement.

Conclusion

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed a memorandum from Trust counsel discussing the legal standards applicable to its consideration of the Advisory Agreement. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its business judgment, that the advisory arrangement, as outlined in the Advisory Agreement, was fair and reasonable in light of the services performed or to be performed, expenses incurred or to be incurred and such other matters as the Board considered relevant in the exercise of its reasonable business judgment.

Proxy Voting Information

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (877) 328-9437, on the Fund's website at www.auxierasset.com and on the U.S. Securities and Exchange Commission's (the "SEC") website at www.sec.gov. The Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (877) 328-9437 and on the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. These filings are available, without charge and upon request on the SEC's website at www.sec.gov or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments on certain classes, redemption fees, exchange fees, and CDSC fees, and (2) ongoing costs, including management fees, 12b-1 fees, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund, and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from July 1, 2013, through December 31, 2013.

Actual Expenses – The first line under each share class of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the

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expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes – The second line under each share class of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) on purchase payments on certain classes, redemption fees, exchange fees, and CDSC fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<u>Beginning Account Value July 1, 2013</u>	<u>Ending Account Value December 31, 2013</u>	<u>Expenses Paid During Period*</u>	<u>Annualized Expense Ratio*</u>
Investor Shares				
Actual	\$ 1,000.00	\$ 1,107.55	\$ 6.64	1.25%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,018.90	\$ 6.36	1.25%
A Shares				
Actual	\$ 1,000.00	\$ 1,107.48	\$ 6.64	1.25%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,018.90	\$ 6.36	1.25%
Institutional Shares				
Actual	\$ 1,000.00	\$ 1,108.62	\$ 5.31	1.00%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,020.16	\$ 5.09	1.00%

*Expenses are equal to the Fund’s annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year divided by 365 to reflect the half-year period.

Auxier Focus Fund

FOR MORE INFORMATION

P.O. Box 588
Portland, Maine 04112
(877) 3AUXIER
(877) 328-9437

INVESTMENT ADVISER

Auxier Asset Management LLC
5285 Meadows Road
Suite 333
Lake Oswego, Oregon 97035

TRANSFER AGENT

Atlantic Fund Services
P.O. Box 588
Portland, Maine 04112
www.atlanticfundservices.com

DISTRIBUTOR

Foreside Fund Services, LLC
Three Canal Plaza, Suite 100
Portland, Maine 04101
www.foreside.com

This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's risks, objectives, fees and expenses, experience of its management, and other information.