
Auxier Focus Fund

Annual Report

June 30, 2015

Fund Adviser:

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**AUXIER FOCUS FUND
PERFORMANCE UPDATE
June 30, 2015**

ANNUALIZED

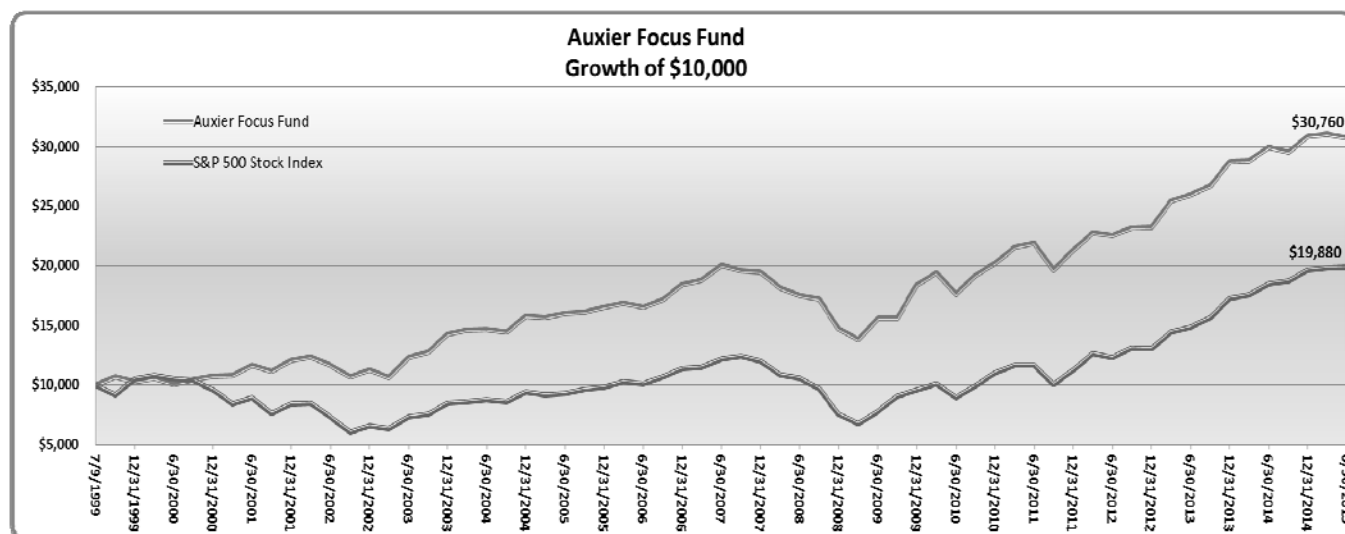
	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	7.29%	6.76%	11.77%	10.90%	2.69%
S&P 500 Index	4.39%	7.89%	17.34%	17.31%	7.42%

CUMULATIVE

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	207.60%	92.32%	74.42%	36.39%	2.69%
S&P 500 Index	98.80%	113.77%	122.47%	61.43%	7.42%

* Fund inception: July 9, 1999

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. As stated in the current prospectus, the Fund's Investor Class Share's annual operating expense ratio (gross) is 1.26%. 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 at 1.14%, which is in effect until October 31, 2016. Other share classes may vary. The Fund charges a 2.0% redemption fee on shares redeemed within six months of purchase. For the most recent month-end performance, please call (877) 328-9437 or visit the Adviser'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.



Summer 2015 Market Commentary

The stock market sputtered and stalled in the first half of 2015. Standard & Poor's 500 index of large U.S. companies rose a scant 0.28% in the second quarter and 1.23% over the six months ended June 30. Auxier Focus Fund trailed the index, declining 0.97% for the quarter and 0.29% for the first half of 2015. One reason is that the Fund is only 70% invested in

AUXIER FOCUS FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

JUNE 30, 2015

American companies (the S&P 500 is 100%). The remainder: 17% in foreign stocks, 6% in cash and 7% in so-called work-outs such as corporate spinoffs. What's more, our lower-risk allocation has handily beaten the benchmark over time. Since inception in 1999, with an average 75%-95% equity exposure, a \$10,000 investment in the Fund grew to \$30,760 as of June 30, vs. \$19,880 for the S&P 500.

Why was the market basically flat in the first half of 2015? One problem was increasingly negative headlines out of Greece, a country with 11 million residents, approximately \$335 billion in debt and a GDP about the size of Wisconsin. These captivated the financial press and contributed to heightened market volatility. Another was rising concerns about China's liberalization of stock ownership and margin accounts. These policies exposed a new generation of investors en masse to the cycles of fear, greed and ultimately folly as Chinese stocks went parabolic, then dropped sharply. Margin debt more than doubled in six months to 2.27 trillion yuan in June. More worrisome: between 2008 and 2013 China's bank balance sheets grew by \$15 trillion to \$24 trillion. That growth exceeded the size of the entire U.S. banking system. Japan saw a similar debt growth trajectory in the 1990s. Such velocity in borrowings robs future growth and tends to lead to economic slowdowns.

Correction Protection in Practice

Since 1927, the S&P 500 has averaged a correction of at least 5% every 71 trading days, or once every four months. Since 1900, the Dow Jones Industrial Average has experienced a correction of 20% or more every 42 to 48 months. A long overdue return to higher, more normalized interest rates should lead to greater stock volatility. During such squalls an investor's "stomach" will become a bigger factor in order to "gut out" difficult times necessary to achieve higher returns. It is so important to understand what you own, why you own it and what you will do when it drops. At Berkshire Hathaway's recent annual meeting, Warren Buffett commented that Berkshire stock had declined by 50% three times over the past 50 years. When Peter Lynch was running Fidelity's famed Magellan Fund, he used to share the story about his largest holding in the late 1970s—Taco Bell. He started buying the stock at \$14; stuck with it as Taco Bell collapsed to \$1 in the energy crisis; and triumphed when it was gobbled up by Pepsi for \$39.

Our strategy is to seek out "high return" businesses and buy them at a price compelling enough to earn double to triple play returns over time, minimizing trading costs and taxes. We focus more on "free cash flow yields" than dividend yields. Many of our best ideas don't work out until year three and four (an eternity in today's hyperkinetic trading environment). Reason: fixable problems that lead to bargain stock prices often take longer to fix than planned. Health insurers UnitedHealth and Anthem are examples that were so despised and depressed that their free cash flow yields exceeded 20% when we bought them a few years ago. Comparable yields for health insurers now average around 4%. Today these two are extremely popular with investors, and merger activity is heating up after 160% moves. We are more comfortable taking risks involving time rather than price. We prize businesses that are able to earn consistently high rates of return on capital, without high mandatory capital spending, and that can execute through all kinds of economic environments. This provides greater financial flexibility in times when liquidity suddenly vanishes. Managerial execution takes on a much greater importance in today's higher markets. Those teams that execute can garner huge premiums in valuation.

Portfolio Trends

The portfolio continues to benefit from managerial events like spinoffs. Drugmaker Baxter spun off Baxalta, which is being pursued by hopeful acquirer Shire at a substantial premium. Activists like Nelson Peltz have added value to our Pepsico and Bank of New York holdings. Citigroup's management is executing well, yet its stock is among the cheapest banks in the country. Bank net interest margins are at 40-year lows and have room for material improvement if interest rates rise. ConAgra is divesting private label Ralcorp, which helped increase value by over 30%. We see cable-TV pioneer John Malone consolidating content companies like Discovery. Kroger has done a phenomenal job in an extremely competitive grocery environment. We see meaningful upside potential in Tesco if the Britain-based supermarket can apply the superior Kroger model to the U.K. and Europe. Delivery giant UPS has twin tailwinds of lower fuel costs combined with increased traffic through shipping enticements like Amazon Prime.

Top Holdings on 6/30//2015	% Assets
Bank of New York	3.6
Pepsico	3.2
Kroger	2.9
Molson Coors	2.8
UnitedHealth	2.8
Medtronic	2.6
Microsoft	2.6
Philip Morris	2.5
America Movil	2.3
Merck	2.3

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Lower Energy Costs Compounded

The U.S., Saudi Arabia and Iraq have increased their collective oil output by two million barrels a day. Iran, which at one point was second only to Saudi Arabia in production, could be a new added factor in supply. Robert Dudley, CEO of BP (formerly British Petroleum) said on a recent earnings call, “I do think the industry needs to prepare for lower for longer.” Historically, these types of price declines have led to rapid industry consolidation. BP seems to be a very likely acquisition candidate as their legal issues are being resolved. Having personally invested during the oil price crashes of 1986 and 1998, I have seen firsthand how lower energy prices are extremely beneficial to the kinds of businesses we own and the economy in general. There typically is an 18 to 20 month delay before the full benefits are felt. The initial cutback on energy related capital spending is painful, but the impact of lower inputs should more than compensate. In 1986 the Saudis flooded the market for crude, fueling a 67% plunge that came close to \$10 a barrel. In 1987, the U.S. economy picked up and lending accelerated, driving longer term interest rates up from roughly 7% to 10% into September. Yet the stock market climbed as well—over 40% to a rich price-to-earnings ratio of 22—before succumbing to this 38% rise in interest rates. In 1998, oil again dropped close to \$10 a barrel, contributing to a Russian government bond default and a powerful move by investors into the high return business franchises we favor. In both cases the dollar was strong. But robust economic activity overcame the drag on trade of a higher currency. And today’s lower energy prices set the stage for another potential stimulant: a gas tax to fund our badly deteriorating infrastructure. The American Society of Civil Engineers estimates we need to spend \$3.6 trillion by 2020.

The Dilemma of Fixed Dollar Investments

Warren Buffett recently stated, “I would stay away from fixed dollar investments.” Former Federal Reserve chairman Alan Greenspan also warned about the high “price to earnings ratio” for U.S. bonds. Since the Fed was established in 1913, the U.S. dollar has depreciated 96%. In 2009, in the depths of a financial crisis, we bought numerous bond issues as corporate interest rate spreads (vs. U.S. Treasuries) exploded from 5% to 22%. Since then the Fed’s relentless easy money policies have shrunk bond yields to levels less than in the depressions of the 1930s and the 1870s. Yet many consumer prices are increasing. Apartment rental rates have spiked 14% since 2010. Auto sales are running over 17 million annualized. Healthcare costs are rising with double digit increases in insurance renewals into 2016. Airports are jam-packed. More people are eating out than eating at home. Household formations are running 1.5 million annually, and housing starts have exceeded 1 million in eight out of the last 10 months. Millennials aged 17-34 outnumber the baby boomers, which means the U.S. will be one of the younger developed countries over the next twenty years.

Should the government dictate bond prices for a depression? A reversion to the mean on bond yields over the past 50 years could lead to losses of principal exceeding 25% on 10 year bonds. Losses would be far worse on longer dated maturities. Not to mention the likely and insidious loss of purchasing power. Exchange traded bond funds reassure investors that their shares provide high liquidity. But the underlying bonds are currently very illiquid due to a material reduction in bond dealers. Over the years I have seen investors lose lots of money by blindly stretching for yield without looking at the underlying source of the income. Fixed income surrogates have had a difficult time lately. The utility industry has negative cash flow largely due to heavy plant expenditures. The Dow Jones Utility Average declined 5.42% in the second quarter. Publicly traded MLPs (Master Limited Partnerships) offer enticing yields and are tremendous sources of funding in the energy sector. But now they are vulnerable if energy prices don’t rebound and if interest rates rise. In the second quarter, the Dow Jones Brookfield Infrastructure MLP Index lost 5.24% while the U.S. Diversified REIT Index lost 11.33%.

Why What Can Go Wrong Will

A free market will in time purge undisciplined behavior and normalize outlier price levels. Back in 2011, we warned about copper prices selling at three times the cost of production. Over the long-term, commodities will typically trade barely over the cost of production. The resulting reversion to the mean in copper can be seen in the stock of producer Freeport-McMoRan, which has dropped from \$60 at the peak to under \$12 recently. Microsoft wrote off \$7.6 billion of a \$7.9 billion investment in phone maker Nokia after one year. This highlights how risky the phone business can be and how fast technology is moving. Apple and Samsung are battling against hundreds of competitors in markets where smart phone prices are running under \$300 globally. To enjoy high compounded returns, it is imperative to finish the race. That is why we seek exceptional management in the seemingly mundane industries not prone to obsolescence and short-lived torrents of capital. The exponential explosion of data helps to speed time to market and create supply spillovers that are crushing many

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industries. Ladies handbags were a killer category for a number of years. Now the category is being “killed” with a plethora of supply. Shares of industry leader Michael Kors are down over 50% this past year. It is so important to study supply/demand relationships. A byproduct of easy money is excessive borrowing and overcapacity.

Looking Ahead in 2015

We see most stocks trading in line with their fundamentals as Fed’s stimulus abates. Corrections are ironically a good thing and normal. Instead of depending on rising markets for returns, we are seeking “managerial event” situations in which talented leaders can add value in any kind of economic environment. We see opportunities in such industry consolidations, spinoffs and workouts. Investing is the craft of the specific. Now is the time to make sure you know what you own, why you own it and what you will do if prices drop. Longer term, continuing energy cost savings are a positive backdrop for investors and should provide a solid foundation for steady U.S. economic growth.

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. Foreign securities are subject to additional risks including international trade, currency, political, regulatory and diplomatic risks.

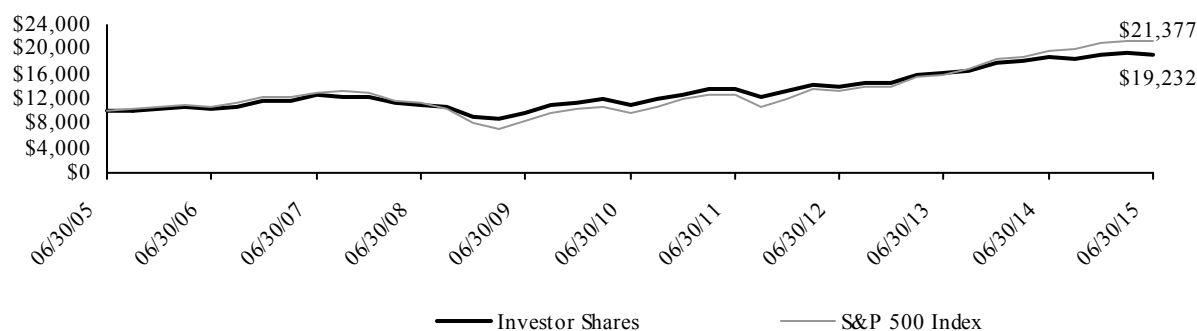
The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 widely held common stocks. The Dow Jones Industrial Average consists of 30 stocks that are considered to be major factors in their industries and that are widely held by individuals and institutional investors. The Dow Jones Utility Average is a price-weighted average of 15 utility stocks traded in the United States. The Dow Jones Brookfield Infrastructure MLP Index is a global measure of Master Limited Partnerships (MLPs) that exhibit strong infrastructure characteristics. The Dow Jones U.S. Diversified REITs Index is a subset of the Dow Jones U.S. Index. It represents the Diversified REITs Subsector as real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) that invest in a variety of property types without a concentration on any single type. 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 (Unaudited)
JUNE 30, 2015

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 Fund vs. S&P 500 Index**



**Average Annual Total Returns
Periods Ended June 30, 2015:**

	1 Year	5 Years	10 Years	Since Inception⁽¹⁾
Investor Shares	2.69%	11.77%	6.76%	7.29%
S&P 500 Index (Since July 9, 1999)	7.42%	17.34%	7.89%	4.39%
A Shares (with sales charge) ⁽²⁾⁽³⁾	-3.27%	10.44%	6.12%	6.89%
Institutional Shares ⁽³⁾	2.93%	11.94%	6.84%	7.34%

⁽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 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 5-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.auxierasset.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 are 1.47%, 1.26% and 1.62%, respectively. However, the Fund's adviser has contractually agreed to waive a portion of its fees and/or to reimburse expenses to limit total annual fund operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend expenses on short sales, and extraordinary expenses) to 1.00%, 1.14% and 1.25% for Institutional Shares, Investor Shares and A Shares, respectively through October 31, 2016. 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
JUNE 30, 2015

Shares	Security Description	Value	Shares	Security Description	Value
Common Stock - 94.4%			Financials - 18.4%		
Communications - 5.5%			42,250	Aflac, Inc.	\$ 2,627,950
289,525	America Movil SAB de CV, ADR	\$ 6,169,778	39,000	American International Group, Inc.	2,410,980
23,834	Cisco Systems, Inc.	654,481	1,280	Ameriprise Financial, Inc.	159,910
6,499	DIRECTV ^(a)	603,042	213,649	Bank of America Corp.	3,636,306
1,100	eBay, Inc. ^(a)	66,264	16,000	Berkshire Hathaway, Inc., Class B ^(a)	2,177,760
388,085	Telefonica SA, ADR	5,510,807	570	Capital One Financial Corp.	50,143
37,660	Twenty-First Century Fox, Inc., Class A	1,225,645	71,174	Central Pacific Financial Corp.	1,690,383
8,695	Viacom, Inc., Class B	562,045	23,650	Citigroup, Inc.	1,306,426
		<u>14,792,062</u>	5,616	Colliers International Group, Inc.	216,104
Consumer Discretionary - 11.0%			130,068	Credit Suisse Group AG, ADR	3,589,877
117,254	Apollo Education Group, Inc., Class A ^(a)	1,510,232	5,616	FirstService Corp.	155,956
35,130	Coach, Inc.	1,215,849	82,110	Franklin Resources, Inc.	4,025,853
37,860	Comcast Corp., Class A	2,276,900	24,900	Legg Mason, Inc.	1,283,097
16,020	CST Brands, Inc.	625,741	41,490	Marsh & McLennan Cos., Inc.	2,352,483
50,990	CVS Health Corp.	5,347,831	60,950	MasterCard, Inc., Class A	5,697,606
92,292	Discovery Communications, Inc., Class A ^(a)	3,069,632	500	The Allstate Corp.	32,435
4,641	Discovery Communications, Inc., Class C ^(a)	144,242	227,600	The Bank of New York Mellon Corp.	9,552,372
16,250	General Motors Co.	541,613	38,418	The Travelers Cos., Inc.	3,713,484
153,550	H&R Block, Inc.	4,552,757	7,350	U.S. Bancorp	318,990
263,976	Lincoln Educational Services Corp.	533,232	21,849	Unum Group	781,102
18,550	Lowe's Cos., Inc.	1,242,294	31,600	Visa, Inc., Class A	2,121,940
12,090	McDonald's Corp.	1,149,396	23,000	Waddell & Reed Financial, Inc., Class A	1,088,130
3,250	Sally Beauty Holdings, Inc. ^(a)	102,635	500	Wells Fargo & Co.	28,120
1,176	The Andersons, Inc.	45,864			<u>49,017,407</u>
4,725	The Home Depot, Inc.	525,089	Health Care - 22.0%		
290	Time Warner Cable, Inc.	51,669	42,600	Abbott Laboratories	2,090,808
12,650	Time Warner, Inc.	1,105,737	2,900	Alkermes PLC ^(a)	186,586
24,135	Vitamin Shoppe, Inc. ^(a)	899,511	23,591	Anthem, Inc.	3,872,227
50,050	Wal-Mart Stores, Inc.	3,550,047	19,200	Baxter International, Inc.	1,342,656
16,602	Weight Watchers International, Inc. ^(a)	80,520	17,200	Becton Dickinson and Co.	2,436,380
7,050	Yum! Brands, Inc.	635,064	21,580	Community Health Systems, Inc. ^(a)	1,358,893
		<u>29,205,855</u>	47,424	Express Scripts Holding Co. ^(a)	4,217,891
Consumer Staples - 22.8%			65,700	GlaxoSmithKline PLC, ADR	2,736,405
32,735	Alliance One International, Inc. ^(a)	782,694	62,242	Hospira, Inc. ^(a)	5,521,488
62,500	Altria Group, Inc.	3,056,875	50,950	Johnson & Johnson	4,965,587
15,100	British American Tobacco PLC, ADR	1,634,575	1,100	Laboratory Corp. of America Holdings ^(a)	133,342
13,200	Coca-Cola HBC AG, ADR ^(a)	282,876	95,003	Medtronic PLC	7,039,722
48,435	ConAgra Foods, Inc.	2,117,578	105,610	Merck & Co., Inc.	6,012,377
8,785	Diageo PLC, ADR	1,019,411	13,582	Pfizer, Inc.	455,404
30,050	Dr. Pepper Snapple Group, Inc.	2,190,645	50,267	Quest Diagnostics, Inc.	3,645,363
20,100	Kelly Services, Inc., Class A	308,535	60,674	UnitedHealth Group, Inc.	7,402,228
106,757	Molson Coors Brewing Co., Class B	7,452,706	49,400	Zimmer Biomet Holdings, Inc.	5,395,962
12,100	Monster Beverage Corp. ^(a)	1,621,642			<u>58,813,319</u>
91,660	PepsiCo, Inc.	8,555,544	Industrials - 3.2%		
82,520	Philip Morris International, Inc.	6,615,628	7,550	AGCO Corp.	428,689
530,090	Tesco PLC, ADR	5,303,551	276,750	Corning, Inc.	5,460,277
64,300	The Coca-Cola Co.	2,522,489	12,500	Raytheon Co.	1,196,000
2,200	The JM Smucker Co.	238,502	5,675	Textainer Group Holdings, Ltd.	147,607
106,784	The Kroger Co.	7,742,908	2,550	The Boeing Co.	353,736
38,925	The Procter & Gamble Co.	3,045,492	8,515	United Parcel Service, Inc., Class B	825,189
133,920	The Western Union Co.	2,722,594			<u>8,411,498</u>
89,400	Unilever NV, ADR	3,740,496	Information Technology - 4.4%		
		<u>60,954,741</u>	52,325	Intel Corp.	1,591,465
Energy - 3.9%			157,364	Microsoft Corp.	6,947,620
144,810	BP PLC, ADR	5,786,608	82,320	Oracle Corp.	3,317,496
16,750	Chevron Corp.	1,615,872			<u>11,856,581</u>
15,600	ConocoPhillips	957,996	Materials - 2.7%		
7,800	Phillips 66	628,368	28,895	E.I. du Pont de Nemours & Co.	1,847,835
2,175	Royal Dutch Shell PLC, ADR	123,997	7,000	LyondellBasell Industries NV, Class A	724,640
19,100	Valero Energy Corp.	1,195,660	10,555	Precision Castparts Corp.	2,109,628
		<u>10,308,501</u>	47,350	The Dow Chemical Co.	2,422,900
					<u>7,105,003</u>

See Notes to Financial Statements.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2015

Shares	Security Description	Value
Telecommunications - 0.5%		
27,300	AT&T, Inc.	\$ 969,696
7,335	Verizon Communications, Inc.	341,884
		<u>1,311,580</u>
Total Common Stock (Cost \$165,605,119)		
		<u>251,776,547</u>
Total Investments - 94.4% (Cost \$165,605,119)*		
		\$ 251,776,547
Other Assets & Liabilities, Net - 5.6%		
		<u>15,041,263</u>
Net Assets - 100.0%		
		<u>\$ 266,817,810</u>
ADR	American Depositary Receipt	
PLC	Public Limited Company	
(a)	Non-income producing security.	

The following is a summary of the inputs used to value the Fund's investments as of June 30, 2015.

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.

Valuation Inputs	Investments in Securities
Level 1 - Quoted Prices	\$ 251,776,547
Level 2 - Other Significant Observable Inputs	-
Level 3 - Significant Unobservable Inputs	-
Total	<u>\$ 251,776,547</u>

The Level 1 value displayed in the Investments in Securities column of this table is Common Stock. Refer to this Schedule of Investments for a further breakout of each security by type.

The Fund utilizes the end of period methodology when determining transfers. There were no transfers among Level 1, Level 2 and Level 3 for the year ended June 30, 2015.

* Cost for federal income tax purposes is \$165,616,252 and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 96,540,109
Gross Unrealized Depreciation	(10,379,814)
Net Unrealized Appreciation	<u><u>\$ 86,160,295</u></u>

PORTFOLIO HOLDINGS

% of Net Assets	
Communications	5.5%
Consumer Discretionary	11.0%
Consumer Staples	22.8%
Energy	3.9%
Financials	18.4%
Health Care	22.0%
Industrials	3.2%
Information Technology	4.4%
Materials	2.7%
Telecommunications	0.5%
Cash and Other Net Assets	5.6%
	<u><u>100.0%</u></u>

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2015

ASSETS

Total investments, at value (Cost \$165,605,119)	\$ 251,776,547
Cash	13,725,661
Receivables:	
Fund shares sold	137,691
Investment securities sold	1,242,971
Dividends and interest	386,236
Prepaid expenses	25,897
Total Assets	<u>267,295,003</u>

LIABILITIES

Payables:	
Investment securities purchased	25,449
Fund shares redeemed	160,938
Accrued Liabilities:	
Investment adviser fees	220,532
Trustees' fees and expenses	200
Fund services fees	29,318
Other expenses	40,756
Total Liabilities	<u>477,193</u>

NET ASSETS

\$ 266,817,810

COMPONENTS OF NET ASSETS

Paid-in capital	\$ 174,464,381
Undistributed net investment income	1,232,798
Accumulated net realized gain	4,949,203
Net unrealized appreciation	86,171,428
NET ASSETS	<u><u>\$ 266,817,810</u></u>

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

Investor Shares	11,313,859
A Shares	268,461
Institutional Shares	1,415,882

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*

Investor Shares (based on net assets of \$231,910,822)	<u>\$ 20.50</u>
A Shares (based on net assets of \$5,540,827)	<u>\$ 20.64</u>
A Shares Maximum Public Offering Price Per Share (net asset value per share/(100%-5.75%))	<u>\$ 21.90</u>
Institutional Shares (based on net assets of \$29,366,161)	<u>\$ 20.74</u>

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

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2015

INVESTMENT INCOME

Dividend income (Net of foreign withholding taxes of \$63,825)	\$	5,978,574
Interest income		<u>32,294</u>
Total Investment Income		<u>6,010,868</u>

EXPENSES

Investment adviser fees		2,893,674
Fund services fees		357,521
Transfer agent fees:		
Investor Shares		76,957
A Shares		1,778
Institutional Shares		243
Distribution fees:		
A Shares		13,548
Custodian fees		29,021
Registration fees:		
Investor Shares		18,980
A Shares		4,226
Institutional Shares		14,294
Professional fees		48,090
Trustees' fees and expenses		17,076
Miscellaneous expenses		<u>221,945</u>
Total Expenses		3,697,353
Fees waived and expenses reimbursed		<u>(129,123)</u>
Net Expenses		<u>3,568,230</u>

NET INVESTMENT INCOME

2,442,638

NET REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain on investments		7,121,019
Net change in unrealized appreciation (depreciation) on investments		<u>(1,503,747)</u>

NET REALIZED AND UNREALIZED GAIN

5,617,272

INCREASE IN NET ASSETS RESULTING FROM OPERATIONS

\$ 8,059,910

AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	<u>For the Year Ended June 30, 2015</u>		<u>For the Year Ended June 30, 2014</u>	
		<u>Shares</u>		<u>Shares</u>
OPERATIONS				
Net investment income	\$ 2,442,638		\$ 3,014,250	
Net realized gain	7,121,019		9,328,055	
Net change in unrealized appreciation (depreciation)	<u>(1,503,747)</u>		<u>30,624,138</u>	
Increase in Net Assets Resulting from Operations		<u>8,059,910</u>		<u>42,966,443</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income:				
Investor Shares	(2,637,509)		(3,247,269)	
A Shares	(39,538)		(30,251)	
Institutional Shares	(70,657)		(66,782)	
Net realized gain:				
Investor Shares	(7,849,090)		(6,549,711)	
A Shares	(148,394)		(73,681)	
Institutional Shares	<u>(238,876)</u>		<u>(149,889)</u>	
Total Distributions to Shareholders		<u>(10,984,064)</u>		<u>(10,117,583)</u>
CAPITAL SHARE TRANSACTIONS				
Sale of shares:				
Investor Shares	26,562,823	1,276,816	39,233,303	1,999,149
A Shares	873,139	41,598	2,512,274	127,528
Institutional Shares	21,941,682	1,039,287	2,223,679	110,806
Reinvestment of distributions:				
Investor Shares	10,140,585	499,068	9,563,734	488,464
A Shares	177,386	8,692	95,499	4,869
Institutional Shares	309,533	15,098	216,672	11,017
Redemption of shares:				
Investor Shares	(87,469,825)	(4,198,398)	(72,978,455)	(3,681,662)
A Shares	(564,363)	(26,856)	(62,884)	(3,204)
Institutional Shares	(443,719)	(21,158)	(470,453)	(23,897)
Redemption fees	11,230	-	14,278	-
Decrease in Net Assets from Capital Share Transactions	<u>(28,461,529)</u>	<u>(1,365,853)</u>	<u>(19,652,353)</u>	<u>(966,930)</u>
Increase (Decrease) in Net Assets		<u>(31,385,683)</u>		<u>13,196,507</u>
NET ASSETS				
Beginning of Year		<u>298,203,493</u>		<u>285,006,986</u>
End of Year (Including line (a))		<u>\$ 266,817,810</u>		<u>\$ 298,203,493</u>
(a) Undistributed net investment income		<u>\$ 1,232,798</u>		<u>\$ 1,537,864</u>

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

	For the Years Ended June 30,				
	2015	2014	2013	2012	2011
INVESTOR SHARES					
NET ASSET VALUE, Beginning of Year	\$ 20.75	\$ 18.59	\$ 16.49	\$ 16.45	\$ 13.49
INVESTMENT OPERATIONS					
Net investment income (a)	0.17	0.20	0.21	0.22	0.26
Net realized and unrealized gain	0.38	2.63	2.23	0.20(b)	3.00
Total from Investment Operations	0.55	2.83	2.44	0.42	3.26
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.20)	(0.22)	(0.22)	(0.16)	(0.29)
Net realized gain	(0.60)	(0.45)	(0.12)	(0.23)	(0.01)
Total Distributions to Shareholders	(0.80)	(0.67)	(0.34)	(0.39)	(0.30)
REDEMPTION FEES (a)	—(c)	—(c)	—(c)	0.01	—(c)
NET ASSET VALUE, End of Year	\$ 20.50	\$ 20.75	\$ 18.59	\$ 16.49	\$ 16.45
TOTAL RETURN	2.69%	15.43%	15.06%	2.84%	24.35%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000's omitted)	\$231,911	\$285,094	\$277,536	\$243,366	\$163,699
Ratios to Average Net Assets:					
Net investment income	0.83%	1.00%	1.22%	1.36%	1.68%
Net expenses	1.24%	1.24%	1.25%	1.25%	1.25%
Gross expenses (d)	1.27%	1.26%	1.28%	1.27%	1.25%
PORTFOLIO TURNOVER RATE	4%	9%	11%	8%	20%

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

(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) 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 year.

A SHARES	For the Years Ended June 30,				
	2015	2014	2013	2012	2011
NET ASSET VALUE, Beginning of Year	\$ 20.85	\$ 18.63	\$ 16.49	\$ 16.45	\$ 13.49
INVESTMENT OPERATIONS					
Net investment income (a)	0.18	0.20	0.21	0.22	0.25
Net realized and unrealized gain	0.36	2.64	2.24	0.21(b)	3.01
Total from Investment Operations	0.54	2.84	2.45	0.43	3.26
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.15)	(0.17)	(0.19)	(0.16)	(0.29)
Net realized gain	(0.60)	(0.45)	(0.12)	(0.23)	(0.01)
Total Distributions to Shareholders	(0.75)	(0.62)	(0.31)	(0.39)	(0.30)
REDEMPTION FEES (a)	—(c)	—(c)	—(c)	—(c)	—(c)
NET ASSET VALUE, End of Year	\$ 20.64	\$ 20.85	\$ 18.63	\$ 16.49	\$ 16.45
TOTAL RETURN (d)	2.63%	15.45%	15.06%	2.84%	24.35%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000's omitted)	\$5,541	\$5,108	\$2,158	\$1,694	\$660
Ratios to Average Net Assets:					
Net investment income	0.84%	1.02%	1.22%	1.39%	1.61%
Net expenses	1.25%	1.25%	1.25%	1.25%	1.25%
Gross expenses (e)	1.56%	1.62%	1.62%	1.52%	1.50%
PORTFOLIO TURNOVER RATE	4%	9%	11%	8%	20%

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

(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) 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 Years Ended June 30,			May 9, 2012 (a) through June 30, 2012
	2015	2014	2013	
INSTITUTIONAL SHARES				
NET ASSET VALUE, Beginning of Period	\$ 20.91	\$ 18.66	\$ 16.50	\$ 16.27
INVESTMENT OPERATIONS				
Net investment income (b)	0.24	0.25	0.26	0.04
Net realized and unrealized gain	0.36	2.64	2.22	0.19
Total from Investment Operations	0.60	2.89	2.48	0.23
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income	(0.17)	(0.19)	(0.20)	—
Net realized gain	(0.60)	(0.45)	(0.12)	—
Total Distributions to Shareholders	(0.77)	(0.64)	(0.32)	—
REDEMPTION FEES (b)	—(c)	—(c)	—(c)	—(c)
NET ASSET VALUE, End of Period	\$ 20.74	\$ 20.91	\$ 18.66	\$ 16.50
TOTAL RETURN	2.93%	15.73%	15.28%	1.41%(d)
RATIOS/SUPPLEMENTARY DATA				
Net Assets at End of Period (000's omitted)	\$29,366	\$8,001	\$5,313	\$1,230
Ratios to Average Net Assets:				
Net investment income	1.13%	1.25%	1.48%	1.62%(e)
Net expenses	1.00%	1.00%	1.00%	1.10%(e)
Gross expenses (f)	1.36%	1.47%	1.55%	1.50%(e)
PORTFOLIO TURNOVER RATE	4%	9%	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.

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 trade 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 investments 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 and liabilities

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 June 30, 2015, 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 June 30, 2015, 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. Cash – Concentration in Uninsured Account

For cash management purposes the Fund may concentrate cash with the Fund’s custodian. This typically results in cash balances exceeding the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. As of June 30, 2015, the Fund held \$13,475,661 as cash reserves at MUFG Union Bank, N.A. that exceeded the FDIC insurance limit.

Note 4. 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 year ended June 30, 2015, there were \$29,061 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 \$2,154 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.

Effective January 1, 2015, each Independent Trustee’s annual retainer is \$50,000 (\$66,000 for the Chairman), and the Audit Committee Chairman receives an additional \$6,000 annually. Effective April 1, 2015, the Vice Chairman receives an additional \$6,000 annually.

Note 5. Expense Reimbursements and Fees Waived

The Adviser has contractually agreed to waive a portion of its fees and reimburse expenses through October 31, 2016, 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 1.14%, 1.25% and 1.00% of average daily net assets of the Investor Shares, A Shares and Institutional Shares respectively. 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. Effective July 1, 2015, the expense cap for the Investor Shares changed from 1.25% to 1.14%. These voluntary reductions may be reduced or eliminated at any time. For the year ended June 30, 2015, fees waived and expenses reimbursed were as follows:

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

<u>Investment Adviser Expenses Reimbursed</u>	<u>Other Waivers</u>	<u>Total Fees Waived and Expenses Reimbursed</u>
\$ 62,153	\$ 66,970	\$ 129,123

Note 6. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the year ended June 30, 2015, were \$9,410,389 and \$34,496,217, respectively.

Note 7. Federal Income Tax

Distributions paid during the fiscal years ended as noted were characterized for tax purposes as follows:

	<u>2015</u>	<u>2014</u>
Ordinary Income	\$ 2,785,128	\$ 3,868,873
Long-Term Capital Gain	8,198,936	6,248,710
	<u>\$ 10,984,064</u>	<u>\$ 10,117,583</u>

As of June 30, 2015, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 1,256,834
Undistributed Long-Term Gain	4,936,300
Unrealized Appreciation	86,160,295
Total	<u>\$ 92,353,429</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 8. Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2015-07 (“ASU 2015-07”) eliminating the requirement for investments measured at net asset value to be categorized within the fair value hierarchy under GAAP and requiring the disclosure of sufficient information to reconcile the fair value of the remaining assets categorized within the fair value hierarchy to the financial statements. ASU 2015-07 is effective for interim and annual reporting periods beginning after December 15, 2015. Management has reviewed the requirements and believes the adoption of ASU 2015-07 will not have a material impact on the financial statements.

Note 9. 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.

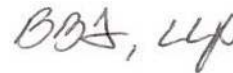
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of Forum Funds
and the Shareholders of Auxier Focus Fund

We have audited the accompanying statement of assets and liabilities of the Auxier Focus Fund, a series of shares of beneficial interest in the Forum Funds, including the schedule of investments, as of June 30, 2015, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2015 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Auxier Focus Fund as of June 30, 2015, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and its financial highlights for each of the years in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.



BBD, LLP

Philadelphia, Pennsylvania
August 19, 2015

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 January 1, 2015, through June 30, 2015.

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 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.

AUXIER FOCUS FUND
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	Beginning Account Value January 1, 2015	Ending Account Value June 30, 2015	Expenses Paid During Period*	Annualized Expense Ratio*
Investor Shares				
Actual	\$ 1,000.00	\$ 997.08	\$ 6.14	1.24%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,018.65	\$ 6.21	1.24%
A Shares				
Actual	\$ 1,000.00	\$ 996.62	\$ 6.19	1.25%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,018.60	\$ 6.26	1.25%
Institutional Shares				
Actual	\$ 1,000.00	\$ 998.07	\$ 4.95	1.00%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,019.84	\$ 5.01	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.

Federal Tax Status of Dividends Declared during the Fiscal Year

For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Fund designates 100.00% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 100.00% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Internal Revenue Code. The Fund also designates 3.29% of its income dividends as qualified interest income exempt from U.S. tax for foreign shareholders (QII) and 1.34% of its income dividends as qualified short-term gain exempt from U.S. tax for foreign shareholders (QSD).

Trustees and Officers of the Trust

The Board is responsible for oversight of the management of the Trust's business affairs and of the exercise of all the Trust's powers except those reserved for the shareholders. The following table provides information about each Trustee and certain officers of the Trust. Each Trustee and officer holds office until the person resigns, is removed, or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is Three Canal Plaza, Suite 600, Portland, Maine 04101. Mr. Keffer is considered an Interested Trustee due to his affiliation with Atlantic. The Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (877) 328-9437.

AUXIER FOCUS FUND
ADDITIONAL INFORMATION (Unaudited)
JUNE 30, 2015

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Series of Fund Complex¹ Overseen by Trustee	Other Directorships Held by Trustee
Independent Trustees					
J. Michael Parish Born: 1943	Chairman of the Board; Trustee; Chairman, Nominating Committee and Qualified Legal Compliance Committee	Since 1989 (Chairman since 2004)	Retired since 2003; formerly, Partner, Wolf, Block, Schorr and Solis-Cohen, LLP (law firm) 2002-2003; Partner, Thelen Reid & Priest LLP (law firm) 1995-2002.	27	None
Costas Azariadis Born: 1943	Trustee	Since 1989	Professor of Economics, Washington University since 2006.	27	None
James C. Cheng Born: 1942	Trustee; Chairman, Audit Committee	Since 1989	President, Technology Marketing Associates (marketing company for small- and medium-sized businesses in New England) since 1991.	27	None
David Tucker Born: 1958	Trustee; Vice Chairman	Since 2011 (Vice Chairman since 2015)	Director, Blue Sky Experience since 2008; Senior Vice President & General Counsel, American Century Companies 1998-2008.	36	Trustee, Forum Funds II and Forum ETF Trust
Interested Trustee					
John Y. Keffer ² Born: 1942	Trustee; Vice Chairman	Since 1989	Chairman, Atlantic since 2008; President, Forum Investment Advisors, LLC since 2011; President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company chartered in the State of Maine) since 1997.	36	Director, Wintergreen Fund, Inc.; Trustee, Forum Funds II, Forum ETF Trust and ALTMFX Trust
Officers					
Jessica Chase Born: 1970	President; Principal Executive Officer	Since 2015	Senior Vice President, Atlantic since 2008.	N/A	N/A
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Atlantic since 2008.	N/A	N/A
Zachary Tackett Born: 1988	Vice President; Secretary; Anti-Money Laundering Compliance Officer	Since 2014	Associate Counsel, Atlantic since 2014; Intern Associate, Coakley & Hyde, PLLC, 2010-2013.	N/A	N/A
Michael J. McKeen Born: 1971	Vice President	Since 2009	Senior Vice President, Atlantic since 2008.	N/A	N/A
Timothy Bowden Born: 1969	Vice President	Since 2009	Manager, Atlantic since 2008.	N/A	N/A
Geoffrey Ney Born: 1975	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A
Todd Proulx Born: 1978	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A

¹The Fund Complex includes the Trust, Forum Funds II and Forum ETF Trust and is overseen by different Boards of Trustees.

²Atlantic is a subsidiary of Forum Holdings Corp. I, a Delaware corporation that is wholly owned by Mr. Keffer.

Auxier Focus Fund

FOR MORE INFORMATION

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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.