AAM AUXIER•ASSET MANAGEMENT LLC

Auxier REPORT

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Winter 2020 Market Commentary

Global equity markets continued a powerful rally in the fourth quarter. In the US, the S&P 500 returned 12.15%. The swift recovery is surprising, following the worst economic decline in a first quarter since the Great Depression. Remarkable advances have been made with vaccines to address the COVID-19 pandemic; two were recently approved by the Food and Drug Administration (FDA). Normally it takes several years to develop an effective vaccine. The pace of innovation has been astounding. In addition, the global fiscal and monetary response has been the most aggressive in history—nearly triple that of prior downturns. US money supply has been growing over 25% annually, the highest in over 150 years. According to the International Monetary Fund (IMF), governments and central banks globally have provided over $19 trillion in stimulus in 2020. They forecast 5.5% global gross domestic product (GDP) growth. Bank of America predicts 6% US GDP growth in 2021. Despite these forecasts, over $15 trillion in bonds are still priced to yield negative returns. Inflation adjusted fixed income markets are very unattractive. The purchasing power risk combined with the potential price declines in a rising rate environment makes the risk/reward in bonds poor. The US dollar tends to depreciate 3% to 4% a year on average.

In the last quarter we have seen an outperformance in many of the beaten down value, cyclical and small cap areas of the market. A stronger economy should lead to better pricing, higher inflation and higher interest rates. The banks were decimated by low interest rates and high loan loss reserves resulting from the pandemic in the first half of the year, but came back to life in the fourth quarter.

With low inventories and strong demand, prices and margins are improving across many industries. We are seeing strong fundamentals in insurance, natural resources, used cars, semitrucks, lumber, farm commodities, etc. Wage gains look likely into 2021 as fast-food employees have been striking and there have been serious efforts by workers to unionize at Amazon. There is a strong push to raise the federal minimum wage. Transportation costs have been increasing as the Baltic Dry Index is up 128% over last year. Since early December, the index increased by nearly 60%. In Europe, 40-foot container shipping rates rose from $2,150 in November to $16,500 in January. Online shopping is the rage, but higher shipping costs and record returns are material headwinds. We watch inflation trends carefully as higher inflation and interest rates can compress price/earnings ratios, increasing the threat of "torpedoes" in the portfolio. Highly valued, high expectation stocks and longer-term bonds can be especially vulnerable.

The Millennial generation is quickly becoming the most important focus for many businesses. As of 2019, the number of Millennials reached 72.1 million and finally overtook the Baby Boomer generation in the US. The housing market is primed to begin benefiting from Millennials, with 90% planning to buy someday. The oldest of the generation have recently turned 40. Research by Goldman Sachs found that the peak home-buying age for Millennials is now 45. According to Coldwell Banker, by the year 2030, Millennials will have inherited over $68 trillion from their parents. We believe this massive generation of wealth will only strengthen the housing market. Pew Research estimates that, due to immigration, the Millennial population will continue to grow, peaking in 2033.

The Digitization of Media

We have seen five years of rapid digitization compress in less than a year. The conversion to streaming in media has been a major disrupter. Large players like Netflix and Disney dominate the streaming conversation, but one player we like that tends to be overlooked is Alphabet's YouTube, which has over two billion monthly active users watching over a billion videos per day. As YouTube is a free, ad-supported platform it brings substantial traffic and is the world's most visited website after Google.com. YouTube is also the second largest search engine in the world, processing more than three billion searches a month. According to Pew Research, 73% of US adults use YouTube. Around 50% of US adults pay for or use a Netflix account. YouTube's reach is immense. According to the Wall Street Journal, YouTube reaches more 24-49 year-old users than all cable channels combined. While YouTube has had a positive impact on Alphabet's earnings, it has also greatly benefited creators, with the number of channels earning six figures growing by 40% every year. Along with YouTube, we also have our eye on the potential growth opportunities that newcomer Discovery+ could bring to the streaming landscape. Discovery, Inc. has been facing headwinds due to cord cutting, and launching their own service could be the spark the company needs to reinvigorate their growth. We see Discovery's focus on unscripted content as a unique offering when compared to the scripted content of other major streaming players which could allow Discovery+ to sit comfortably alongside existing services. With cord cutting only anticipated to accelerate in the future, we like companies like Alphabet and Discovery, Inc. that offer unique streaming products that drive engagement and capitalize on digital entertainment.

Vaccine Update

Developing and distributing an effective vaccine to COVID-19 is a top priority for pharmaceutical companies such as Pfizer, Moderna and Johnson & Johnson (JNJ). While the Pfizer and Moderna vaccines have been given emergency use authorization by the FDA, JNJ's vaccine has not yet been approved. Even though JNJ's vaccine is behind Pfizer's and Moderna's, it does present some clear advantages that could help it become the best vaccine option for many. JNJ's vaccine only requires one dose compared to the two doses required for the Pfizer and Moderna vaccines. A one-dose vaccine will be much easier to distribute around the country in a reasonable amount of time compared to a two-dose vaccine which requires time to pass between each dose. Another significant benefit of JNJ's vaccine is that it is expected to be stable at refrigerated temperatures of 35.6 to 46.4 degrees Fahrenheit. Pfizer's vaccine has more challenging storage needs and must be kept at minus 94 degrees Fahrenheit. This means that JNJ's vaccine will not require new infrastructure to store and transport the vaccine. JNJ estimates that they will be able to produce enough doses to vaccinate 100 million Americans by April. Quick and effective vaccines for COVID-19 are needed to help protect the most vulnerable populations, such as those living and working in nursing homes. Data from early December indicates that about 40% of COVID-19 deaths in the US have been in nursing homes. Since JNJ's vaccine requires fewer doses and can be more easily transported and stored than other vaccines, they may be the best option to treat this vulnerable group. It is estimated these vaccines will need to be taken every year due to the changing mutations. In time, as genetic testing improves, drugs will be better targeted to cure diseases. Today a company called OneOme, co-founded by the Mayo Clinic, offers pharmacogenomic solutions combining genome mapping and precision medicine testing. By building genetic databases specific drugs can be administered, improving the odds for favorable outcomes.

UnitedHealth Group Shows Resilience

The fourth quarter marked the end of a year that demonstrated UnitedHealth's resilience to uncertainties as they were able to grow consistently throughout the year. Revenue for the company has increased every quarter for well over 10 years now as UnitedHealth has been able to keep operating at a high level despite economic disruptions like the financial crisis and the COVID-19 pandemic. UnitedHealth ended the fiscal year with record revenue thanks to the strength of Optum, their information and technology-enabled health services segment. Management expects their cash flow generation will continue to grow and reach $20-$21 billion in 2021. UnitedHealth has paid a consistent dividend for the last decade and with a payout ratio of just 30% the company has the flexibility to continue returning capital to shareholders.

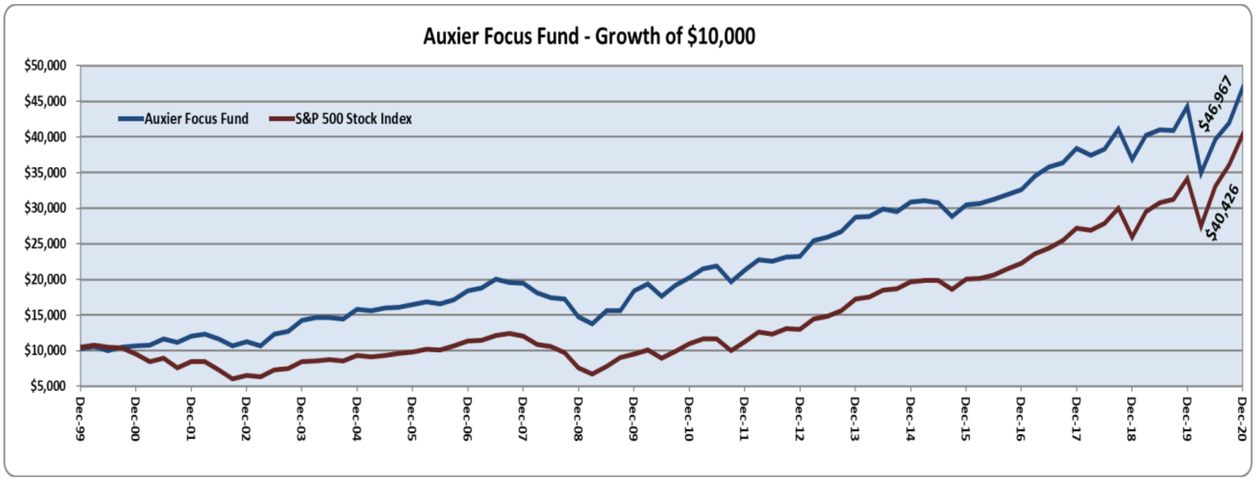
Property Casualty Insurance Seeing A Recovery

The fourth quarter marked an improvement during a tough year for insurance providers as high catastrophe losses and COVID-19 charges impacted profitability. According to Swiss Re, total insurance losses in 2020 were estimated to be $83 billion, making it the 5th costliest year since 1970. Notable catastrophe events during the quarter included the California wildfires, with losses estimated to be in the $7 billion to $13 billion range. The North Atlantic hurricane season saw 30 big storms lead to $20 billion in claims. Swiss Re's loss estimates do not include claims related to COVID-19, so total losses could be higher, though many insurers have pandemic-related exclusions in their contracts. Insurance companies have been trading at a discount due to investors' fears of the impact of the pandemic, but these exclusions mean that the pandemic has had less of an impact than many investors expected. Travelers, for example, saw their core income grow by 45% over the fourth quarter of 2020 thanks to lower catastrophe claims and an increase in market returns. Exclusions to COVID-related losses helped Travelers beat analyst estimates. The massive catastrophe losses during 2020 will be the driving force of higher pricing in 2021. Pricing in insurance renewals was favorable and is expected to remain positive into 2021. January 1st reinsurance renewals were reported in the 5%-7% range. The US has seen the largest increases, followed by Europe and Asia. Rising primary pricing, low interest rates and increased risk concerns around catastrophes and COVID-19 are driving renewal growth. Strong pricing and lower catastrophe losses compared to 2020 are expected to lead to better profitability going forward. We believe Berkshire Hathaway, Marsh & McLennan, Aon, AIG and Travelers will all benefit from this improved pricing as the worst economic pressures on top lines are likely in the past.

CVS Undervalued After Successful Turnaround

CVS Health Corp is the nation's foremost integrated healthcare services provider. CVS finished 2020 at $68.30 with projected earnings of $7.45 per share and a $2.00 dividend. This gives them a price-to-earnings ratio of slightly over 9x with a dividend yield of 2.93%. New entries into the pharmacy market, such as PillPack from Amazon, have scared investors away despite CVS's long history of success and institutional knowledge. Amazon's approach has been more focused on mail order, not face-to-face, which is a strength of CVS. The same thing happened to grocers in 2017 when Amazon purchased Whole Foods, but over three years later grocers have yet to see much of an impact. Executing in highly competitive markets is often harder than anticipated. Meanwhile CVS is preparing for the future with more vertical integration from the Aetna acquisition. While they dramatically increased their debt with the move, they brought on their CEO-in-waiting, Karen Lynch, while moving into the insurance space. We owned Aetna prior to the acquisition and have been following Karen Lynch for years. She takes over on February 1st and is expected to continue to expand the insurance division of CVS. In the interim, CVS will continue to pay down debt with their tremendous free cash flow, which is expected to break $10 billion in 2020. While they suspended share buybacks to pay down their debt from the Aetna acquisition, they are expected to hit their goal of 3x debt-to-cash flow sometime this year and could return significant value to shareholders as soon as 2022. All of CVS's performance takes place in the backdrop of the COVID-19 pandemic. In 2020, they were the #1 testing site in the United States and have been working closely with the US government to help facilitate the vaccination of hundreds of millions of Americans in 2021. Nearly 70% of Americans live within 5 miles of a CVS, while over 85% live within 10 miles. Access to healthcare today is a major issue and CVS is determined to improve that access. 10,000 Americans turn 65 every day and it looks like the Biden administration wants to increase both Medicare and Medicaid coverage. With their near ubiquity, as well as their institutional experience delivering vaccines, CVS is likely to play a significant role in the vaccine rollout, exposing millions of new customers to the value CVS can provide. While the headlines might not be as exciting as those of a company like Amazon, CVS has the potential to provide significant returns with the fundamentals to back it up.

Fourth Quarter 2020 Performance Update



Auxier Focus Fund's Investor Class returned 11.99% in the fourth quarter vs. 12.15% for the cap-weighted S&P 500 Index and 10.73% for the DJIA. The equal-weight S&P 500 returned 18.46%. Emerging markets as measured by the MSCI Emerging Markets Index were up 19.70%. A 60/40 S&P 500 and Bloomberg Barclays US Aggregate blended index returned 7.54% for the quarter. Stocks in the Fund comprised 97.8% of the portfolio. The equity breakdown was 86.1% domestic and 11.7% foreign, with 2.2% in cash and short-term debt instruments. A hypothetical $10,000 investment in the Fund since inception in July 1999 to December 31, 2020 is now worth $46,967 vs. $40,426 for the S&P 500 and $37,543 for the Russell 1000 Value Index. The equities in the Fund (entire portfolio, not share class specific) have had a cumulative return of 609.59% since inception and the Fund as a whole has had a cumulative return of 369.66% vs. 304.26% for the S&P. This was achieved with an average exposure to the market of 80.4% over the entire period.

Auxier Focus Fund – Investor Class
Average Annual Total Returns (12/31/2020)
Since Inception (07/09/1999) 7.47%
10-year 8.79%
5-year 9.04%
1-year 6.03%
3-month 11.99%

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 (gross) is 1.10%. 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 0.92%, which is in effect until October 31, 2021. 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 Fund recently experienced significant negative short-term performance due to market volatility associated with the COVID-19 pandemic.

Contributors to the quarter: Our outlook on a cross section of positions with a positive impact on the portfolio for the quarter ended 12/31/2020.

Bank of America Corp. (BAC)
Bank of America's performance continued to be below 2019 levels as revenues have been pressured by low interest rates and expenses have been elevated due to COVID-related costs. However, performance

improved sequentially in the second half of 2020. One area that has benefited during the pandemic is Bank of America's digital usage. The company has seen over 2.3 billion quarterly digital banking logins. Over 70% of checks are now deposited digitally on the Bank of America platform. The company's partnership payment service, Zelle, now has 12.2 million active users and their most recent data shows transfers are up 88%. Management will continue to invest in the digital side of their business as they believe many users will prefer digital banking even after the pandemic has passed. Bank of America holds the #1 position in the US deposit market, with 85% of deposit transactions being made digitally.

Discovery, Inc. Series A (DISCA)

Revenue growth for Discovery slowed in 2020 due to reductions in TV advertising and cord-cutting, but future growth looks promising with the launch of their new streaming service Discovery+. Advertising currently makes up 50% of the company's revenue so management is hoping that the launch of Discovery+ will begin to shift their revenue mix. Discovery currently has over 800 million monthly viewers around the world and has the #1 TV portfolio based on hours watched in the US. Management is confident that their service will be a good supplement to larger players like Disney+ and Netflix since Discovery+ will be the only major streaming service focused solely on unscripted content. Discovery expects 2021 to have the highest expenses for the streaming service due to the need to acquire new users, but expenses will decrease as the service scales. Along with investing in their digital offerings, Discovery generated over $3 billion in free cash flow this past year for a 7% free cash flow yield.

Security	% Assets
Mastercard Inc.	6.7
UnitedHealth Group Inc.	5.9
Microsoft Corp.	5.2
Medtronic PLC	4.1
PepsiCo Inc.	3.8
Johnson & Johnson	3.3
Philip Morris International	3.0
Visa, Inc.	2.8
Bank of New York Mellon Corp	2.7
Kroger Co.	2.6

CAE, Inc. (CAE)

CAE is the global leader in training for civil and defense aviation. It is a much lower risk way to play the eventual turn in travel. Earlier in 2020, CAE suspended operations in over half their civil training facilities, however all previously suspended locations have now been re-opened. This provided a tremendous bargain price in their stock. Management stated that they are now seeing recoveries in training utilization, particularly in business aviation training. After the Boeing 737 problems, pilot training is emphasized to a much greater degree. Management is confident that they will be able to recover once global travel gets closer to pre-COVID levels. Over 60% of CAE's business comes from recurring business and long-term agreements with many airlines and defense forces. The company's total backlog currently stands at over $8 billion.

Citigroup, Inc. (C)

Citigroup is selling for less than 80% of tangible book value. As stock buybacks resume, they are in a position to add tremendous value. A stronger global economy should lead to a reduction and further releasing of reserves and higher rates will benefit the record low net interest margin. Consensus estimates for Citigroup's 2021 and 2022 earnings per share are $6.44 and $8.03, respectively. At nine times earnings the stock trades at a 60% discount to the market.

Detractors to the quarter: Our outlook on a cross section of positions with a negative impact on the portfolio for the quarter ended 12/31/2020.

Microsoft Corp. (MSFT)

One of the largest companies in the world by market capitalization, Microsoft has managed to continue to grow and thrive despite the pandemic. The stock returned over 40% in 2020 behind strong growth from their Office suite of products, cloud businesses and gaming. Their cloud computing service, Azure, grew 48% last quarter. The work-from-home movement helped increase demand for their products as it further accelerated the trend towards digitization. Microsoft has invested heavily in the gaming industry with their Xbox system and their recent acquisition of ZeniMax Media. The gaming industry is already larger than the film industry and the global sport sector combined and is projected to continue its explosive growth over the coming years. Despite their investments Microsoft is still flexible with cash, cash equivalents and short-term investments of nearly $138 billion as of their most recent quarter.

Kroger Co. (KR)
Kroger is incredibly cheap compared to its peers. While Kroger's price-to-earnings ratio is under 10, Walmart is over 20 and Target is over 25. In addition, Kroger's dividend yield is substantially higher at 2.3% compared to Walmart's 1.5% and Target's 1.5%. Kroger's price is depressed despite a strong year as people shopped more due to stay-at-home orders. While many still view Kroger as a traditional brick-and-mortar grocer, they have been successfully digitizing their business and currently trail only Walmart in online grocery sales. They plan to open their first automated fulfillment center in early 2021. Kroger has also started ramping up their preparations for the rollout of the vaccines. As one of the leading distributers of the influenza vaccine, they have extensive experience and their 2,200 pharmacies and 220 clinics could prove vital in the effort to vaccinate hundreds of millions of Americans over the coming months.

Mastercard Inc. (MA)
While they are still below pre-COVID-19 expectations, Mastercard has continued to see purchases increase after the abrupt drop off in March. The hardest hit unit has been cross-border transactions which was down 36% last quarter. However, cross-border transactions are likely to rebound quickly once COVID-19 restrictions are lifted and business starts to return to normal. In the meantime, Mastercard has focused on returning value to shareholders while maintaining a flexible balance sheet. In the third quarter alone, they repurchased 6.5 million shares for $2.1 billion while still finishing the quarter with over $10 billion is cash and cash equivalents. Mastercard also announced a 10% dividend increase in December to $0.44 per share.

Merck & Co. (MRK)
Merck has the second largest research budget of the major pharmaceutical companies. Oncology sales continue to grow over 26%. The company is refocusing on vaccines, hospital acute care, animal health and oncology. They are spinning off the biosimilars, woman's health and legacy brands into a new company called Organon. Merck estimates that the pandemic has so far negatively impacted revenue by over $2 billion due to reduced access to health care providers and reduction in demand for some of their vaccines. Despite these headwinds, they are on track for full-year revenue growth and a robust oncology and virology pipeline. Merck trades at a very cheap 13 times earnings, almost a 40% discount to the overall market. I first bought Merck in 1983 during the personal computer IPO frenzy where more than 30 personal computer companies went public. Over 90% failed to survive, yet Merck with a heavy emphasis on R&D is still going strong.

In Closing

The recent speculation in markets is nothing new. Charles Mackay's book *Extraordinary Popular Delusions and the Madness of Crowds* published in 1841 was one of the first investment books I read back in the early 1980s. Human behavior, especially in groups, can be crazy at times. "Easy money" contributes to momentum that detaches from reality and underlying cash flows. We are always ready to take advantage of bargains that result from irrationality and forced liquidations resulting from excessive borrowed money. There is an old saying that "financial genius is leverage in an up market." In declining markets leverage takes you out of the game fast. Back in 1999 internet mutual funds had doubled in a year and were out of business within three years. From 1995-2000 the Nasdaq climbed 456% but then crashed 80% to end up back where it started. Steep losses can really interrupt the compounding of returns. We see the same kind of downside in many story-stocks that have been riding momentum as the emphasis is on revenue growth to the exclusion of other value yardsticks. High prices and group behavior tend to attract a constituency that is often devoid of rational thought and behavior. We never lose sight of the power of the compounded return over long periods and the necessity of a persistent research effort to mitigate risk. If you drop 50% you need to recover 100% to break even and if you drop 90% you need to gain 1000% to break even. Although securities markets in the US have been good the past several years, they can have periods of flat performance like 1999-2009. During that decade, the S&P 500 returned a cumulative -4.27% while the Auxier Focus Fund returned a cumulative 83.67%. We tend to add the most value in those kinds of difficult periods.

We appreciate your trust.

Jeff Auxier

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by calling (877) 328-9437 or visiting the Fund's website. Please read the prospectus carefully before you invest.

Fund returns (i) assume the reinvestment of all dividends and capital gain distributions and (ii) would have been lower during the period if certain fees and expenses had not been waived. Performance shown is for the Fund's Investor Class shares; returns for other share classes will vary. Performance for Investor Class shares for periods prior to December 10, 2004 reflects performance of the applicable share class of Auxier Focus Fund, a series of Unified Series Trust (the "Predecessor Fund"). Prior to January 3, 2003, the Predecessor Fund was a series of Ameriprime Funds. The performance of the Fund's Investor Class shares for the period prior to December 10, 2004 reflects the expenses of the Predecessor Fund.

The Fund may invest in value and/or growth stocks. Investments in value stocks are subject to risk that their intrinsic value may never be realized and investments in growth stocks may be susceptible to rapid price swings, especially during periods of economic uncertainty. In addition, the Fund may invest in mid-sized companies which generally carry greater risk than is customarily associated with larger companies. Moreover, if the Fund's portfolio is overweighted in a sector, any negative development affecting that sector will have a greater impact on the Fund than a fund that is not overweighted in that sector. An increase in interest rates typically causes a fall in the value of a debt security (Fixed-Income Securities Risk) with corresponding changes to the Fund's value.

Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

Foreside Fund Services, LLC, distributor.

Earnings growth is not representative of the Fund's future performance.

The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 market-capitalization-weighted widely held common stocks. The Dow Jones Industrial Average is a price weighted index designed to represent the stock performance of large, well-known U.S. companies within the utilities industry. The S&P 500 Equal Weight Index (EWI) is the equal-weight version of the widely used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight (0.2%) of the index total at each quarterly rebalance. The MSCI Emerging Market Index captures mid and large caps across more than two dozen emerging market countries. The index is a float-adjusted market capitalization index and represents 13% of global market capitalization. The Russell 1000 Value Index refers to a composite of large and mid-cap companies located in the United States that also exhibit a value probability. The Russell 1000 Value is published and maintained by FTSE Russell. The 60/40 Hybrid of S&P 500 and Bloomberg Barclays U.S.

Aggregate Bond Index is a blend of 60% S&P 500 Composite Index and 40% Barclays U.S. Aggregate Bond Index, as calculated by the adviser, and is not available for direct investment. The Baltic Dry Index (BDI) is a shipping and trade index created by the London-based Baltic Exchange. It measures changes in the cost of transporting various raw materials, such as coal and steel. One cannot invest directly in an index or average.

Cash flow is the net amount of cash and cash-equivalents being transferred into and out of a business.

An initial public offering (IPO) refers to the process of offering shares of a private corporation to the public in a new stock issuance.

Free cash flow (FCF) represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets.

The price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings (EPS).

Free cash flow yield is a financial solvency ratio that compares the free cash flow per share a company is expected to earn against its market value per share. The ratio is calculated by taking the free cash flow per share divided by the current share price.

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock.

The dividend yield, expressed as a percentage, is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price

Book value is the value of a security or asset as entered in a company's books.

Nasdaq: The Nasdaq Composite Index is the market capitalization-weighted index of over 2,500 common equities listed on the Nasdaq stock exchange.

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.