



Auxier REPORT

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AUXIER FOCUS FUND PERFORMANCE UPDATE June 30, 2006

AUXFX RETURNS VS. S&P 500 INDEX

	<u>Auxier Focus Fund</u>	<u>S&P 500 Index</u>	<u>Difference*</u>
03/31/06 – 06/30/06	-1.99%	-1.44%	-0.55
12/31/04 – 12/31/05	4.58%	4.91%	-0.33
12/31/03 – 12/31/04	10.73%	10.87%	-0.14
12/31/02 – 12/31/03	26.75%	28.69%	-1.94
12/31/01 – 12/31/02	-6.79%	-22.10%	15.31
12/31/00 – 12/31/01	12.67%	-11.88%	24.55
12/31/99 – 12/31/00	4.05%	-9.10%	13.15
12/31/00 – 12/31/05	54.14%	2.75%	51.39
Since Inception 7/9/99	65.43%	1.02%	64.41

* in percentage points

Average Annual Returns for the period ended 06/30/06	1 Year	3 Year	5 Year	Since Inception
Auxier Focus Fund (Investor Shares)	3.44%	10.35%	7.29%	7.48% (7/9/99)
S&P 500 Index	8.63%	11.21%	2.49%	0.15%

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. For the most recent month-end performance, please call (877) 328-9437 or visit the Fund's website at www.auxierasset.com. The Fund charges a 2.0% redemption fee on shares redeemed within six months of purchase.

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 investment objective of the Fund is to provide long term capital appreciation by investing primarily in a portfolio of common stocks that the Advisor believes offer growth opportunities at a reasonable price. As a non-diversified fund, the Fund will be subject to substantially more investment risk and potential for volatility than a diversified fund because its portfolio may at times focus on a limited number of companies. The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 widely held common stocks. One cannot invest directly in an index. Foreside Fund Services, LLC, distributor.

Summer 2006

Market Commentary

For the quarter that ended June 30, 2006, the Auxier Focus Fund declined 2% versus a 1.4% loss for the S&P 500 Index. Fears of higher inflation, interest rates and oil prices have led to a reassessment of portfolio risk. As global economies have improved, interest rates have risen in tandem, acting to reduce liquidity. Speculative strategies utilizing cheap borrowed money and low-quality securities have come into question. When money is easy and volatility is low, speculators tend to “leverage up” seeking to enhance returns. The second quarter saw an unwinding of these leveraged strategies with the advantage going to the higher quality businesses with solid dividends and strong balance sheets. The market has been long overdue for a correction to purge these excesses.

Oil prices are up over 100% the past two years, with fears of supply disruptions from geopolitical tensions, particularly in the Middle East, driving the prices far above fundamentals. Why not put everything in oil stocks? In today’s global economy in which communication costs are down over 90% in the past twenty years, the “electronic herd” can literally move billions of dollars with a mouse click. The fiber optic cable industry was flooded with over \$80 billion in capital in less than three years in the late 1990s. This led to a painful price deflation for the entire industry. Now, less than 10% of fiber capacity is being utilized. The lesson: The flow of information and funding is so rapid that an industry appearing to have strong sustainable pricing can suddenly become highly risky due to overinvestment. Capital gushing into the oil sector is causing price increases on commodity inputs, personnel and services. In addition, higher prices eventually alter consumption patterns, which in time can dampen demand. Taken together, these two trends could lead to a deceleration in the favorable pricing environment. Ironically, as oil has increased dramatically, natural gas prices are off over 30% this year due to record inventories in storage.

Staying ahead of inflation

According to recent government reports, inflation has continued to worsen. Yet the true measure of US inflation appears understated due to questionable government interpretation. For example, the government does not count the cost of energy and food in the core producer price index or the core consumer price index. In other words, if you don’t eat, drive or heat your home, then you are probably not feeling the impact of inflation. The government utilizes rent statistics to calculate the cost of shelter in the consumer price index rather than true home ownership data. Thus we are left with the impression that the cost of shelter has been relatively flat during one of the most sustained real estate booms this country has seen.

Assuming inflation is understated, where should one invest? Rising inflation can compress price-to-earnings (P/E) ratios and profit margins, leaving high P/E stocks vulnerable. The ideal investment in such an environment is a bargain-priced company that can raise prices to counter inflation but does not have high mandatory capital spending needs. Consumer product companies with strong brands and loyal customers, like Altria and Coke, have endured such inflationary periods. In contrast, capital intense industries, such as railroads, may enjoy great pricing but their spending needs are so high that profits often end up in the ground. Thus, the best way to mitigate the effects of inflation on a stock portfolio is to own companies with solid

balance sheets that generate meaningful free cash and are able to either buy back stock or raise dividends.

Going to school on The Great Getty

Given the uncertain investment climate, it is helpful to revisit the strategies of one of America's most successful investors in the oil patch—J. Paul Getty. The following is an excerpt from *The Great Getty* by Robert Lenzner. “Throughout the 1930s, while the USA was struggling to recover from the worst economic setback in history, Getty was operating at full strength in the stock market amassing shares...He was one of the first modern corporate takeover strategists to use the stock market to gain control over companies, but in one significant sense he was a different animal from today's empire builder. He would never dream of borrowing a billion dollars from the banks in pursuit of his ends, or paying a 50% premium over and above market price to win his battle. What he always wanted was a bargain, an investment to be acquired below book value, a company with assets, above ground or below ground, worth far more than he paid for them.”

Getty's motto was to “buy when everyone else is selling, and hold until everyone else is buying.” This is an example of how the market is there to serve, not guide the investor, and actions should be disciplined by price/value considerations.

Our efforts remain committed to discovering undervalued securities regardless of the macroeconomic backdrop or latest market fads. While periods of volatility can be trying as an investor, we welcome its return to a market that had become complacent in the face of mounting risks. Prior to the most recent selloff, the market had not experienced a 10% correction in more than three years. Volatility is the friend of the rational investor who remains calm and disciplined while panic-stricken shareholders unload their holdings without regard to fundamental value. Pricing misappraisals become more abundant in such an environment, providing greater opportunity to pick up shares of quality companies trading at a discount to their intrinsic worth.

We appreciate your trust and support.

Jeff Auxier

*As of 06/30/2006, the Fund held those securities mentioned in the letter as follows:
Altria Group (2.0%); Coca-Cola Co. (2.5%).*

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.