AAM AUXIER•ASSET MANAGEMENT LLC

Auxier REPORT

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AUXIER FOCUS FUND
PERFORMANCE UPDATE
JUNE 30, 2005

AUXFX RETURNS VS. S&P 500 INDEX

	Auxier Focus Fund	S&P 500 Index	Difference
04/01/05 – 06/30/05	2.31%	1.37%	0.94%
12/31/04 – 06/30/05	1.31%	-0.81%	2.12%
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%
12/31/99 – 12/31/04	53.36%	-10.97%	64.33%
Since Inception 7/9/99	59.94%	-7.00%	66.94%

Average Annual Returns for the period ended 06/30/2005	1 Year	3 Year	5 Year	Since Inception
Auxier Focus Fund (Investor Shares)	**9.01%**	**11.15%**	**9.75%**	**8.17% (7/9/99)**
S&P 500 Index	**6.32%**	**8.28%**	**-2.37%**	**-1.21%**

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.

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 the average of 500 widely held common stocks. One cannot invest directly in an index. Foreside Fund Services, LLC, distributor.

Summer 2005

Market Commentary

The Auxier Focus Fund ended the second quarter with a gain of 2.31% vs. a gain of 1.37% for the S&P 500. From inception in July 1999 through June 30, 2005, the Fund's cumulative return is +59.94% vs. a 7% decline for the S&P 500. That's cumulative outperformance of 66.94%. The Fund has outperformed the S&P in 46 of 60 rolling 12-month periods (77% of the time) yet the portfolio carried less risk, averaging less than 70% stock exposure. Your Manager started the Fund as the single largest shareholder, has consistently added to the position and has not sold a share Members of the AAM team also have large percentages of their liquid net worth in the Fund. If performance is poor, the pain is felt in the front office.

Corporate Balance Sheets

Corporations in the S&P have worked to improve their balance sheets and cash positions. Cash as a percentage of market capitalization stands at close to 20-year highs. Many companies have over one year's earnings in cash. This stands in direct contrast to the U.S. consumer, who has the lowest savings rate since 1934 and has been expanding debt positions aggressively.

The Benefits of Corporate Cash

Many companies have been raising dividends at a faster clip than earnings. Buybacks of undervalued stock, together with dividends, are usually preferable to most acquisitions, where the norm is to overpay and undermine shareholder value. The Washington Post appreciated 31 fold, over a 13 year period ending in 1987, with aggressive buybacks and little acquisition activity. The other benefit is if your stock is acquired at a substantial premium. As I write this letter, the second largest position in the Fund, Priority Health, is being acquired by Express Scripts for $1.3 billion in cash. That's a 40% premium to our purchase price 15 months ago.

The Process

It might be helpful to revisit the facts that led to our investment in Priority Health. Over the past four years, I have met with the management and always been impressed with their integrity and grasp of the business. The problem was the stock's premium price. The company is a leader in the distribution of specialty pharmaceutical and medical supplies. Wal-Mart and Aetna use Priority based on the company's strong execution. Finally, after patiently watching and studying the company fundamentals, we had a chance to scoop up the stock after it was hit due to cuts in oncology reimbursements. The price was right so we acted--based on management, Priority's size and a consolidating industry. The discount price we paid played a big part in our return over that timeframe. This example also highlights how expensive it can be for an investor to focus on large "unknowable variables," (e.g. the economy, interest rates, the market) to the exclusion of analyzing superior businesses and managements. Four years is a long time to wait, but we would rather take a time risk than a price risk. If we can quantify the potential loss factor, then seek to minimize it, the future upside should take care of itself.

Easy Money

In spite of all of the warnings in the press, it appears that lending in the housing sector is still very aggressive and involves some questionable standards. Consider recent statistics from The Mortgage Bankers Association and Merrill Lynch.

- Subprime loans have risen to 28% of the market, up from 5% five years ago.
- Some 42% of first-time buyers over the past year did not make a down payment.
- In 2005, over 60% of new mortgages in California were "interest only" or adjustable rate. A buyer utilizing an "interest only" loan can afford a loan that is 50% greater vs. a 30-year conventional loan. This can act as a huge stimulant to home prices.
- From 1955 to 1995, home prices appreciated in line with inflation or a "zero" real return.
- Since 1996, home prices have outstripped inflation by 45% to the tune of $5 trillion.

- Consumers have latched onto the gains, withdrawing home equity equivalent to 7.4% of disposable income in 2004.

- As a measure of euphoria, a recent June cover of *Time Magazine* was entitled "Home Sweet Home-Why We're Going Ga Ga Over Real Estate."

In short, even the most conservative asset class can transform into "high risk" when the public believes in the inevitability of profits and is willing to borrow to the extreme. One can look back at the easy lending in energy trading with Enron and Calpine. The bankruptcy of Conseco resulted from reckless lending in the manufactured housing industry by GreenTree Acceptance. Historically, the aftermath of such borrowing binges leads to industry recessions and tremendous opportunity for the long-term investor to buy at distressed prices. In *Extraordinary Popular Delusions and the Madness of Crowds* (1841) Charles Mackay wrote, "Men, it has well been said, think in herds; it will be seen that they go mad in herds, while they only recover their senses slowly and one by one."

High Return Businesses

In an ideal world, an investor hopes to compound funds at high rates of return for long periods of time. To accomplish that, it helps to own businesses that historically earn high rates of return on capital. Some might categorize these as "growth" or "quality" stocks, perhaps both. Whatever the label, they are selling at discount levels in today's market environment. Oil and real estate now dominate news and emotions. However, should earnings decelerate and interest rates rise, these dull, self-funding franchises historically thrive. Anheuser-Busch, Coke, Boston Scientific and Marsh & McLennan are a few global names that have suffered from compressed valuations and been added to the Fund's holdings.

Focus and Slavish Attention to Detail

I am a fan of high achievers in any field. I like to see people use God-given talents for the benefit of others. Cyclist Lance Armstrong, the winner of an unprecedented seven consecutive Tours de France, was recently interviewed in *USA Today*. "I am focused," Armstrong says. "I have always been that way, even as a child. That is because we have a responsibility to perform at our best." He talks about "slavish attention to minute details." Echoing that thought, James Sinegal of Costco has been oft quoted that "retail is detail."

As a firm we try to take that approach to heart with client assets. Trust can take years to earn and minutes to lose. We believe integrity demands competence.

Thank you for your support.

Jeff Auxier

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.

As of 6/30/2005 the Fund held those securities mentioned in the letter as follows: Aetna (0%); Anheuser-Busch (2.0%); Boston Scientific (1.0%); Calpine (0%); Coca-Cola (2.0%); Conseco (0%); Enron (0%); Express Scripts (1.8%); GreenTree Acceptance (0%); Marsh & McLennan (2.0%); Priority Healthcare (2.3%); Wal-Mart (0.8%); Washington Post (0%).