Auxier REPORT

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AUXIER FOCUS FUND
PERFORMANCE UPDATE
June 30, 2010

AUXFX RETURNS VS. S&P 500 INDEX

	Auxier Focus Fund	S&P 500 Index	Difference*
03/31/10 – 06/30/10	-9.04%	-11.43%	2.39
12/31/09 – 06/30/10	-3.99%	-6.65%	2.66
12/31/08 – 12/31/09	24.76%	26.46%	-1.70
12/31/07 – 12/31/08	-24.52%	-37.00%	12.48
12/31/06 – 12/31/07	5.71%	5.49%	0.22
12/31/05 – 12/31/06	11.75%	15.79%	-4.04
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
Since Inception 7/9/99	76.35%	-10.64%	86.99

* in percentage points

Average Annual Returns for the period ended 06/30/2010	1 Year	3 Year	5 Year	10 Year	Since Inception
Auxier Focus Fund (Investor Shares)	**12.99%**	**-4.16%**	**1.97%**	**5.79%**	**5.30% (7/9/99)**
S&P 500 Index	**14.43%**	**-9.81%**	**-0.79%**	**-1.59%**	**-1.02%**

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 annual operating expense ratio (gross) is 1.25%. The Fund's adviser has contractually agreed to maintain annual operating expenses at 1.25%, which is in effect until October 31, 2010. 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 Fund'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. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.

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 smaller companies which generally carry greater risk than is customarily associated with larger companies for various reasons such as narrower markets, limited financial resources and less liquid stock. 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. Foreside Fund Services, LLC, distributor.

Summer 2010

Market Commentary

Auxier Focus Fund ended second quarter 2010 with a -9.04% return, outperforming the -11.43% return for Standard & Poor's 500 Index (S&P) by 2.39 percentage points. Year-to-date the Fund is down -3.99% versus a -6.65% decline for the S&P. The Fund has outperformed the market (S&P) by 87 percentage points cumulatively since inception in 1999.

A Formula for Going Nowhere Fast

Velocity trading has followed in the footsteps of velocity banking[1] as the latest easy shortcut to the arduous fundamentals of capital allocation. Like the parabolic rise of derivatives that enhance returns through leverage, commodity Exchange Traded Funds (ETFs) have grown fifty fold from $50 billion ten years ago to $277 billion (Bloomberg). These vehicles generate no cash flow and therefore are speculations. Many buyers apparently overlooked the unanticipated "contango" effect[2] (the inability to deliver on the futures contract) and experienced losses when there should have been gains.

In addition, two-thirds of stock exchange volume has recently been tied to so-called algorithmic trading formulas. Computer models abound that can fail to factor in periodic bouts of emotional folly. This means a greater likelihood of material misappraisals and plum pickings for flexible bargain shoppers. There are no shortcuts to investing. The economy is too dynamic and competitive. It is time to get back to the basics of investing—the craft of the specific. That's knowing more about what you own than the market; showing conviction to buy more at compelling price points; quantifying true risk to invest when odds are highly favorable. Just as velocity banking failed, speculation that is not grounded in cash flow and fundamental analysis could in time fail as well.

Beware of Politicians Bearing Bonds

Two great Warren Buffett sayings apply today. "If money is easy, grab your wallet and run the other way" and "most men would rather die than think; many do." Like the heady, high-tech bubble that peaked in 2000, followed by comparable manias for real estate and private equity, the investing herd is stampeding into bond funds like never before. In the past 18 months, some $580 billion has been channeled into US taxable bond funds and $500 billion into municipal bonds at the highest prices in history (Dow Jones News). Never mind that estimates of off-balance sheet liabilities at the federal level run seven times our gross domestic product (GDP). Governments at all levels have made entitlement promises that are unsustainable and, if unchecked, would lead to bankruptcy. Good money continues to be allocated to Fannie Mae and Freddie Mac, a disreputable duo that has already cost taxpayers $300-$500 billion. Illinois and California face a solvency crisis. Worse, the failed leadership and policies of both states have now been transferred to Washington DC. Once deficits reach a certain point, the risk of a failed bond auction becomes closer to reality. Remember, in eight centuries only a handful of countries

[1] A term used to describe the rate at which money is exchanged from one transaction to another.
[2] When the futures price is above the expected future spot price. Consequently, the price will decline to the spot price before the delivery date.

have honored their debts. James Grant (*Grant's Interest Rate Observer*) recently noted how Illinois, back in the railroad boom of 1842, was forced to pay 42.75% interest on its municipal bonds. More recently, yields on two-year notes in Greece climbed from less than 4% to over 20% in a very short period. If policymakers don't make adjustments the market will. Unfortunately, unlike Japan, the US does not have the savings to absorb the shortfall. I would bet that we could see a similar panic in government bonds, especially if current spending policies are not corrected. In the early 1980s, the biggest municipal bond default in history occurred when Washington Public Power Supply System (WPPSS), aptly nicknamed "whoops", failed to pay on a number of partially constructed nuclear plants. We were able to profit from the gloom by buying senior secured notes yielding 16% tax free. The bonds had originally been rated AAA[3] and paid puny interest. Examining the entire capital structure is so important when investing in stocks and bonds. It is difficult to survive over the long term with a weak balance sheet. As Jim Grant says, there is no such thing as a bad bond, just a bad price.

New Zealand's Lesson for US Housing Subsidies

Back in 1985, New Zealand abolished all farm subsidies. Farmers' income initially plunged as land and stock prices slumped. However, productivity soon recovered dramatically, boosting farming's share of GDP from 14% to 16.6%. Farm products now comprise over 50% of all exports, and the rural population has grown. The move created a much more vibrant industry commanding a greater share of the overall economy. American policymakers should study this model to help reform Fannie Mae, Freddie Mac and our failed approach to housing subsidies.

Gateways to Emerging Market Middle Class

The US consumer and government face painful restructuring periods ahead. But many emerging economies learned their lessons the hard way back in 1998, and today have much better balance sheets. Global population is expected to grow from 6.8 billion to 9.2 billion by 2050. Chinese consumption of skin-care products, cosmetics and fragrances has quadrupled to $13 billion the last decade (Business Week). We like low-ticket necessity products that have a steady demand. Global austerity tends to favor our high-quality, self-funding businesses. Prime examples are multinational corporations, with powerful global distributions. Many of these stocks have sold off to price points where there is very little premium for the emerging market gateway these companies provide. Their high free-cash flow provides the needed flexibility to profit in times of distress.

Election Day 1994 Revisited?

The current US stock market feels like the early 1990s. Hillary Clinton was trying to socialize medicine. The country had endured one of the worst banking crises since the Great Depression. The 1994 midterm elections led to the biggest Republican sweep in fifty years, overtaking both the House and Senate. This catalyst helped fan favorable tailwinds in the market. Over the following six years, surviving small and midsized banks appreciated 400-800%. Healthcare stocks in general enjoyed meaningful upward valuations in price/earnings ratios[4]. Large blue chips had three consecutive years of above-average returns. It is rare to have the chance to buy high-quality businesses at ten times earnings. Currently, 13 of the top 25 S&P 500 stocks sell for 10-11 times estimated 2011 earnings. Neon Liberty Capital recently (July 2010) analyzed market performances after a decade in which the economy was in recession 25% or more of the

[3] The highest rating given on bonds by bond rating agencies.
[4] Price/earnings ratio is the value of a company's stock price relative to company earnings.

time, as has our past decade. Guess what? Returns in comparable decades ending in 1955, 1958, 1975 and 1982 were well above average. The subsequent average gains over three, five and ten years were all above 14% annually.

Why Our Approach Can Win Over Time

We will always have to face crisis situations. Our approach is to work hard to anticipate potential areas of harm and irrational behavior. Then take advantage of the resulting bargains. Our edge? Managing through challenging environments back to 1983 demands rational, tenacious daily research effort that focuses on minimizing the downside. Seeking to identify durable investments is critical to outpace devaluations that result from the "easy path" politicians consistently follow. We are in times when you can't depend on a rising market for returns. We rely instead on our dedication to spot exceptional individual opportunities and moving when we believe the price is right.

Your trust and support is appreciated.

Jeff Auxier

As of 06/30/2010, the Fund held those securities mentioned in the letter as follows: Washington Public Power Supply System (WPPSS) 0%; The Federal National Mortgage Association 0%; Federal Home Loan Mortgage Corp 0%.

There can be no guarantee of success with any technique, strategy, or investment. All investing involves risk, including the loss of principal. 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.

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.