AAM AUXIER•ASSET MANAGEMENT LLC

Auxier REPORT

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J. Jeffrey Auxier

AUXIER FOCUS FUND
PERFORMANCE UPDATE
DECEMBER 31, 2004

AUXFX RETURNS VS. S&P 500 INDEX

	Auxier Focus Fund	S&P 500 Index	Difference
09/30/04 – 12/31/04	9.18%	9.23%	-0.05%
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	57.86%	-6.18%	64.04%

Average Annual Returns for the period ended 12/31/04	1 Year	3 Year	5 Year	Since Inception
Auxier Focus Fund (Investor Shares)	**10.73%**	**9.37%**	**8.93%**	**8.69% (7/9/99)**
S&P 500 Index	**10.87%**	**3.58%**	**-2.30%**	**-1.16%**

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 purchased after October 11, 2004 and 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 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.

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. Forum Fund Services, LLC, distributor. (01/05)

Market Commentary

The Auxier Fund returned 9.18% for the fourth quarter and 10.74% for the full year 2004. This compares with a return of 9.23% and 10.88% for the S&P 500 Index. The Fund is categorized as "Moderate Allocation" by Morningstar because the common stock exposure has been less than 70% of total assets. The stock portion of the fund actually returned over 16% for the year.

The investment outlook for 2005 is a mixed bag. Strong corporate balance sheets, a favorable tax environment and improved governance, are offset by the specter of creeping inflation, rising interest rates and a fatigued consumer.

Encouraging Developments

- Corporate balance sheets are improving. The debt to capitalization ratio of the S&P 500, excluding financial stocks, has fallen to 33% from 47% 15 years ago. Companies have over $2 trillion in cash which is about 20% of total market capitalization.
- Tax rates on dividends and capital gains are providing important savings incentives. Tax receipts have been proven to increase with lower rates. In addition, corporations should increasingly forsake retained earnings and making acquisitions with such an attractive dividend tax rate available. Most acquisitions destroy shareholder value. Hopefully more cash flows will now find their way back to the owners. Historically, 41% of the returns from stocks in the S&P 500 have come from dividends.
- Corporate governance is attracting greater scrutiny. Stock options will be expensed by mid-2005. Greater disclosure and accurate reporting should help restore investor confidence.
- The prospects for tort reform look more promising given a Republican President and GOP gains in the house and senate. Many class action suits of at least $5 million will shift from state courts to federal courts, which have traditionally been more business friendly. We own a number of companies that would potentially benefit enormously as the market tends to become overly pessimistic in valuing litigation risk.
- Health Savings Accounts (HSAs) are on the rise. HSAs are a strong first step in providing incentives for individuals to evaluate their healthcare costs while being rewarded for their savings efforts.

Areas of increasing risk

- High levels of bullish sentiment are often a reliable contrarian indicator for market corrections. At year-end, Investors Intelligence' gauge of bullish sentiment exceeded 62%.
- Initial public offerings (new supply) totaled over $45 billion with 238 companies coming to market in 2004. We focus carefully on supply and demand in all markets.
- Inflation is ticking up. The Consumer Price Index (CPI) rose 3.3% for 2004. With the Federal Reserve's "fed funds" rate at 2.25%, compared to an inflation rate of

3.3%, as measured by the CPI, we believe higher rates are imminent. The normal spread between inflation and fed funds is approximately 2%.

- According to Fitch Ratings, inflation of raw materials should add an additional $6,800-7,500 to the cost of a typical new home. Higher raw materials prices can squeeze profit margins, and higher inflation can lead to compression in price to earning multiples.
- The full stimulative effects off a weak dollar typically take 18-22 months to be felt. This is a boon for multinationals but often has an adverse impact on interest rate levels. In the 1985-87 period, investors underestimated the powerful stimulative effect of a weak dollar. The market was up 42% in 1987 before sharply higher interest rates spoiled the party. The S&P 500 finished the year up a scant 2%.
- Consumer borrowing has risen more than 50% over the past four years to $7 trillion. One third of recent borrowings are based on adjustable rates. The average household carries $14,000 in credit-card debt. We are long overdue for a consumer recession.
- If the dollar continues to decline, the Federal Reserve may be forced to raise rates much more aggressively, leaving those tethered to variable rate borrowing vulnerable. In 1994, the Fed had to move from ¼ % increases to ¾% increases to support a declining currency. Such aggressive tightening measures can lead to great bargain hunting.

The macroeconomic backdrop for 2005 is more uncertain than it has been in some time. Nonetheless, it is important to seize opportunities created by a mixed macro outlook. In such an environment, careful investment selection and disciplined buying will be crucial. An added emphasis on management talent and capital allocation skills is warranted. Also, businesses that have low mandatory capital spending with substantial discretionary cash flow will have greater advantages. As always, we have a healthy respect for risk and the ability to wait for attractive valuations. Our first question when we invest is how much can we lose. Therefore, we try to quantify the risk factor to insure we are getting adequately paid for the risk taken, especially as a steward dealing with other peoples' money.

Opportunities in Healthcare

We are finding pockets of opportunity in the healthcare sector, which has been under duress due to an uncertain regulatory environment. While regulatory reforms have grabbed the headlines, we believe investors are giving short shift to appealing long-term demographics. For example, according to recent government statistics, 65% of Americans are overweight. By 2010, one out of eight Americans will be in the 55-64 age bracket. By 2015, the number of seniors over 65 will increase by 10 million to 45 million. We are simply getting older and fatter.

We have found attractively priced companies such as healthcare insurers Wellpoint and First Health, cardiovascular device makers Guidant and Boston Scientific, hospital chains HCA and Health Management Associates, plus pharmacies CVS and Priority Health. In addition, we note that scale is becoming more important in health care and has helped drive a wave of consolidation. We benefited directly in the fourth quarter from takeovers. Guidant was acquired by Johnson and Johnson and First Health by Coventry. Last, the major pharmaceutical stocks are trading close to 30 year lows versus the market. They have been suffering from poor fundamentals and look attractive on a price basis. However, we are waiting for an improvement in operating conditions before getting more proactive in the shares.

Global Distribution on Sale

We are always on the lookout for high quality businesses at beaten down price levels. Some recent examples include: American International Group fell 20% in October in the wake of New York Attorney General Elliot Spitzer's investigation of the insurance industry. Similarly, scandals rocked Citigroup, which dipped to an attractive 10 times estimated 2005 earnings. Coca Cola recently dropped to price levels 50% lower than 1998 levels due to poor managerial execution. All three companies possess world class distribution systems that would cost a multiple of current market valuations to build from scratch. In addition, all three have the scale necessary for capturing growth in faster growing emerging markets. We believe the challenges faced by these companies are short-term in nature and mask the true underlying value of their franchises. They also provide a hedge against a declining dollar given their large international exposure

We appreciate your trust and support.

Jeff Auxier

As of 12/31/04, the Fund held those securities mentioned in the letter as follows: WellPoint (1.20%); First Health (1.10%); Guidant (0.50%); Boston Scientific (0.00%); HCA (0.50%); Health Management Associates (2.00%); CVS (1.10%); Priority Health (2.00%); Johnson and Johnson (0.00%); Coventry (0.00%); American International Group (2.10%); Citigroup (2.70%); Coca Cola (2.30%).