AAM AUXIER-ASSET MANAGEMENT LLC

Auxier REPORT

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Year-End 2017 Market Commentary

Major tax legislation signed into law in December of 2017, the Tax Cuts and Jobs Act, has been a powerful positive for US companies. This together with meaningful reforms in onerous regulations has energized and created attractive incentives to start new businesses. Earnings growth in 2018 for the S&P 500 Index could exceed 16% after a similar gain in 2017 (Standard & Poor's). I remember investing after the 1986 Reagan tax cuts and witnessing strong new business formations, which were very stimulative. Corporate earnings accelerated even with a dramatic increase in interest rates. Partly due to a rollback in regulation, *American Banker* estimates that the top ten banks in America now have enough excess capital to retire one-third of their outstanding shares. A drop in corporate rates from 35% to 21% together with repatriation of foreign earnings could add further to stock buybacks, dividend increases and mergers. 100% expensing of depreciable property should enhance capital spending and could add up to half a percent to GDP growth. Many foreign manufacturers are locating to the US due to the lower tax burden and low natural gas prices. Private equity buying power adds another $1 trillion in demand (*Fortune*) just as public stock in the US has dropped by over 50% since 1997 (*Economist*). We watch the initial public offering ("IPO") market closely for signs of oversupply. While both the Reagan tax cuts in 1986 and the Kennedy tax cuts (Revenue Act of 1964) added firepower to the economy they also contributed to higher interest rates, hurting holders of bonds. Today, the tax stimulus combined with a low 4.1% unemployment rate could lead to much higher interest rates. Companies with poor balance sheets or those dependent on debt funding like real estate investment trusts ("REITs") and utilities suffered in the past. We have learned it is critically important to study the tax code as the changes in 1986 really hurt commercial real estate, ultimately contributing to the thrift crisis. This time ultra-high-end housing along with municipal bonds look vulnerable.

Globally, a movement toward free market solutions and efforts to clean up corruption contributed to huge moves in cheaper emerging markets. Argentina was the number one performing market in the world for 2017, returning over 76%, as represented by the Merval Index, due largely to free market reforms. Brazil has targeted corruption while privatizing many industries. China continues to add to market solutions as well. The internet is creating greater financial transparency, exposing and cleaning up bad behavior. Companies that are executing and have proven platforms are enjoying almost monopolistic market power. As an investor, it is so important to tune out crazy news headlines and relentlessly focus on facts and fundamentals pertaining to company cash flows, revenues and execution. We have learned over many years the importance of exceptional management, integrity and private property rights. Companies that are operationally efficient with a network effect on the right side of digitization can enjoy enormous premium valuations. While fear is the friend of the fundamentalist, euphoria is the enemy of the diligent capital allocator. Recently, bullish sentiment has reached extremes which can often portend a short-term correction. Bad loans and most mergers are made in good times, often at bad prices that fail to compensate for the risk taken.

Entry Housing

The average age for first time home buyers is 31. According to the *Wall Street Journal*, home ownership hit a 50-year low in 2016, at 62.9%. In 2017, the rate increased for the first time in 13 years. While fundamentals look good for low-end housing, the high-end has been hit hard by the limits to the deductibility of interest and property taxes. The millennials now outnumber baby boomers.

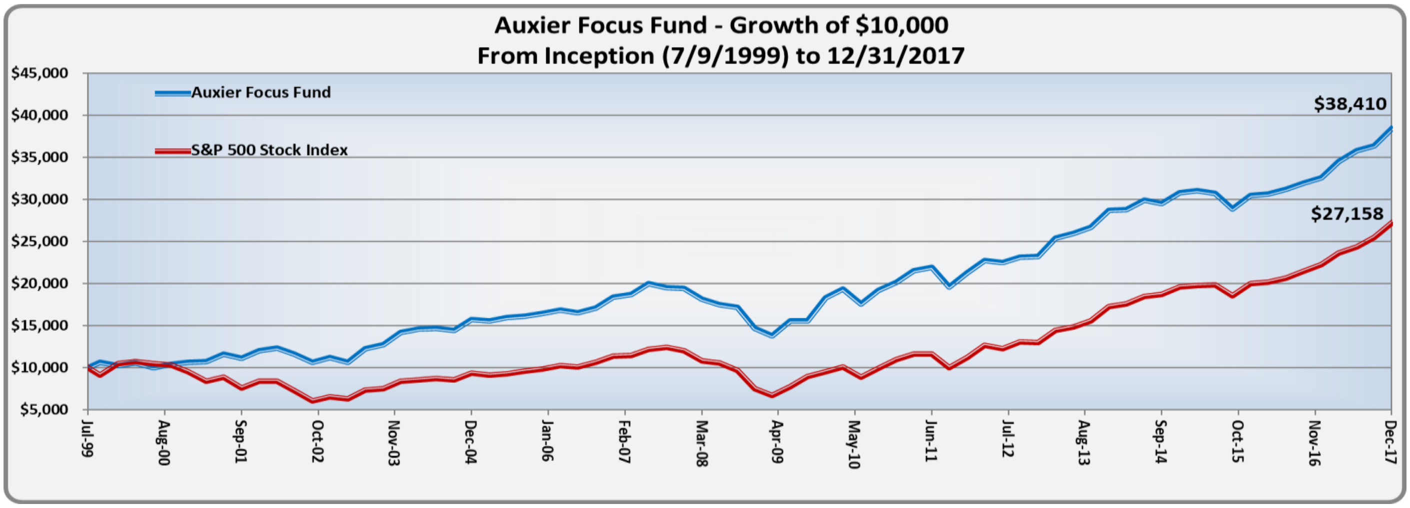
Bigger is Not Necessarily Better

According to the outstanding investor Joel Tillinghast of Fidelity Investments, if you continuously invested in the single largest S&P 500 stock by market value between 1972 and 2016, your compounded return would have been less than 4% while the index earned over 10%. General Electric in October of 2000 was one of the most highly valued companies in the world at $60. Today it is under $20. It is so important through diligent research to identify risks and strive to mitigate them. Overpaying for complex investments in times of euphoria can lead to problems that threaten to interrupt the compounding process. Price-earnings ratios do matter. In the four decades through 2015, in years where the S&P 500 earnings growth was the fastest, P/Es contracted. Sky high valuations can torpedo a portfolio if price-earnings ratios compress. I can remember buying food stocks at a bargain six times earnings in the 1980s after high inflation in the 1970s.

Infrastructure

The president has deep experience in construction in New York City. He was skilled in fighting the permit process. Look for the streamlining of permitting for roads, bridges, water systems, waterways, etc. With manufacturing unemployment running under 2.5%, healthy wage growth should follow.

Year-End 2017 Performance Update



Auxier Focus Fund's Investor Class returned 5.67% in fourth quarter vs. 6.64% for the S&P 500 Index. For the year ended 12/31/2017 the Fund returned 17.71% vs. 21.83%. The stocks in the Fund returned 6.24% for the quarter and 20.35% for the year. Domestic stocks comprised 79% and foreign 15%, with cash and "workouts" 6%. Since inception at the top of the market in 1999, a hypothetical $10,000 investment in the Fund has grown to $38,410, with an average equity exposure of 78% compared to $27,158 for the fully invested S&P 500.

Auxier Focus Fund – Investor Class
Average Annual Total Returns (12/31/2017)
Since Inception (07/09/1999) 7.55%
10-year 7.01%
5-year 10.60%
1-year 17.71%
3-month 5.67%

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 ratio (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 0.98%, which is in effect until October 31, 2018. 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 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.

Contributors to the quarter:

Kroger Co. (KR)
After a rough start to the year, Kroger delivered a net earnings increase of 1.5% vs. an earnings decline of 56% year over year. This improvement was driven by their record-setting Black Friday results for general merchandise and record sales at Fred Meyer. Digital revenue was up 109% from the continued positive response to Kroger's online-grocery ordering service. Recently the company has been in discussions with Chinese online powerhouse Alibaba. We have been very impressed with Kroger's use of data analytics. With a nationwide shortage of both trucks and drivers, shipping costs are up over 18% this past year. This will

pressure margins for the online delivery model. Companies like Kroger with a vast store base should have an advantage. Additionally, 2017 saw some of the biggest price declines in food since 1950. Recently those price fundamentals show signs of improving.

UnitedHealth Group Inc. (UNH)
UnitedHealth's data and technology platform, Optum, had another quarter and now full year of double-digit percentage earnings growth in all of its segments. Due to positive results, UnitedHealth raised their 2018 adjusted earnings guidance by 16% at the midpoint to $12.45 per share. CEO David Wichmann expects Corporate Tax Reform to boost earnings and cash flows by $1.7B in 2018.

Top Holdings	% Assets
Bank of New York Mellon Corp	4.1
UnitedHealth Group Inc.	4.1
Pepsico Inc.	3.5
Philip Morris International	3.5
Johnson & Johnson	3.1
Mastercard Inc.	3.1
Microsoft Corp.	3.0
Medtronic PLC	3.0
Bank of America Corp	2.4
DowDuPont Inc.	2.4

Microsoft Corp. (MSFT)
In 2012 the company's cloud revenue totaled $700 million. Today, Microsoft has quarterly cloud revenues exceeding $5 billion with 55% margins. Driven by Azure's revenue growth of 90%, revenue in Microsoft's Intelligent Cloud segment increased 14% to $6.9B with commercial cloud annual recurring revenue exceeding $20B. Total revenue grew 12% as their Productivity and Business Processes and Intelligent Cloud segments made up for the stalling Personal Computing.

Bank of America Corp. (BAC)
Loan and deposit growth of 3.3% and 3.8% along with higher interest rates led to net interest income growth of 11% to $11.5B in the quarter. After a $2.9B charge related to the Tax Cuts and Jobs Act, Bank of America plans to benefit from more rational regulation and lower tax rates.

Anthem, Inc. (ANTM)
Anthem's three reportable segments all had operating revenue growth in the most recent quarter while cutting total expenses by 5%. After ongoing accusations of Express Scripts overcharging by billions of dollars, Anthem announced its plan to set up its own pharmacy benefits management unit called IngenioRx and secured a five-year agreement with CVS Health Corp. that will go into effect at the end of 2019.

PepsiCo Inc. (PEP)
PepsiCo saw overall organic revenue growth of 1.7% despite its North American Beverages sector revenues decline for the first time in two years. Latin America and ESSA had operating profit growth of 14% and 12% respectively to pick up the slack. By 2025, PepsiCo plans to have at least two-thirds of their beverages contain 100 calories or less per serving. PepsiCo continues to expect $7B in free cash flow for the full fiscal year.

Express Scripts Inc. (ESRX)
Express Scripts recently acquired eviCore Healthcare, an industry leader in evidence-based medical benefit management services. EviCore helps manage medical benefits for 100 million people, and Express Scripts expects the acquisition to be accretive to adjusted diluted earnings per share in 2018, which they now estimate in the range of $7.67 to $7.87. At a P/E of 12 times 2018 the stock seems very cheap.

Johnson & Johnson (JNJ)
Johnson & Johnson saw a 10.3% growth in net sales as their Pharmaceutical segment–which represents 49% of overall sales–jumped 15% in the quarter. This has been due in part to the consistently growing sales of their lymphoma treatment, Imbruvica, increasing 46.7% year over year as additional implications continue to be approved by the FDA.

Mastercard Inc. (MA)
Mastercard had a record-setting quarter, increasing revenues by 18% and growing net income by 21% to $1.4B. This year, Mastercard will be Costco's exclusive co-brand partner in Japan as they continue to focus on international growth opportunities. On the innovation front, Mastercard continues to push forward providing payment options on

smartphones, workspace connected communities, and virtual reality. They have recently landed large retailers Kroger and Cabela's.

BP plc (BP)
BP had a productive quarter as group oil and gas production averaged 3.6M barrels of oil equivalent a day, a 14% increase over last year, while downstream underlying quarterly earnings were the highest in five years growing almost 67%. All seven of the major projects they expected to start this year are online, including starting production in three major upstream projects in Australia, Trinidad, and Oman. BP re-entered the solar power market with the purchase of a 43% stake in Lightsource Renewable Energy Ltd. for $200M. Aggressive cost cutting is finally paying off as oil prices have improved by over 25% in four months.

Wal-Mart Stores Inc. (WMT)
Walmart's continued effort to strengthen their online offerings to compete with Amazon is gaining more traction as eCommerce sales grew 50% in the quarter. As a result, 63 Sam's Clubs are slated to close and approximately 12 will be converted to online fulfillment centers while scaling back Walmart brick-and-mortar growth in the US.

Corning Inc. (GLW)
Corning is edging their way into the medical field with Valor Glass. Working with Merck and Pfizer, Corning is developing a damage-resistant glass for vials that will reduce flaking, contamination, and breaking while being more efficient to manufacture. Corning's Gorilla Glass continues to be a big seller as Apple, Samsung, and other phone manufacturers use it on their flagship devices. Specialty Materials net earnings were up 71% over last year helping the decline of LCD screen prices in Display Technologies.

The Travelers Companies Inc. (TRV)
The Travelers Co. had record-setting net written premiums of $6.6B and growth in all segments as retention remained at historic highs in Commercial Businesses. Hurricane Harvey, Irma, and Maria are estimated to have damages exceeding $250B causing Travelers' net income to be impacted by $455M of catastrophe losses. The pricing for many property and casualty products is showing signs of firming going into 2018.

LyondellBasell Industries N.V. (LYB)
LyondellBasell was able to deliver double digit revenue and earnings growth despite Hurricane Harvey affecting each of their major US Gulf Coast sites. Even after the impact of increasing feedstock prices and production outages, they were able to produce 13% more ethylene across their global system compared to the previous year. LyondellBasell also plans to build the world's largest propylene oxide and tertiary butyl alcohol plant in Houston in the second half of 2018.

Detractors to the quarter:

Merck & Co. Inc. (MRK)
Merck & Co. had a challenging quarter as total sales declined 2% due to a temporary production shutdown from a cyber-attack. Merck's Pharmaceutical segment–making up 89% of sales–fell 3% as they lost market exclusivity for two of their top cholesterol treatments and are facing increasing pricing pressure on their top-selling drug. On a positive note, the outlook for cancer-fighting immunotherapy Keytruda is very encouraging.

Philip Morris International (PM)
Philip Morris's reduced risk, heated tobacco product IQOS accounted for 40% of shipments to Japan in the quarter, surpassing combustible cigarettes for the first time in that market. Although it has seen impressive growth in the Japanese market, it is still waiting for FDA approval in the US. We believe it will be approved.

Unilever (UN)
Turnover headwinds from a stronger euro and overall weak market demand led to a challenging quarter for Unilever. Underlying sales growth of 2.6% was driven by their emerging markets' 6.3% growth while developed markets declined 2.3% in the quarter.

Cerner Corporation (CERN)
Although revenues were up 8%, they came in below analysts' expectations. Bookings were down 22.5% year over year due to several large contracts being delayed, causing it to come in below the company's guidance. However, it could lead to all-time high levels of bookings once these deals are signed.

America Movil (AMX)
Natural disasters in Mexico and Puerto Rico along with a costly Colombian arbitration panel ruling led to a net loss of 9.5B pesos vs. a net income of 2.1B pesos year over year. America Movil is working on rolling out a 4.5G network which is expected to be 7x faster than 4G in parts of Mexico, and gearing up for 5G by 2020.

American International Group (AIG)
After a year of catastrophic events leading to aggregate pre-tax catastrophe losses of $3.0B in the quarter, American International Group's CEO is looking forward to 2018 as "The Year of the Underwriter." AIG will be focusing on commercial underwriting, enhancing underwriter tools, and their talent base to position themselves for long-term growth. With over $130B in insured losses for 2017, the industry pricing environment is firming on projected 2018 renewals. In the past, we have enjoyed solid returns with the new AIG CEO Brian Duperreault when he successfully turned around a troubled Marsh & McLennan.

Oracle Corp. (ORCL)
Oracle's cloud revenue growth of 44% drove performance for the quarter. They will soon deliver the Oracle Autonomous Database in the Oracle Cloud claiming it to be 10x faster at less than half the cost of running a database in the Amazon Cloud. The fully-autonomous database will not require any human labor for administration, will detect security vulnerabilities and patch itself immediately while running, and will reduce planned and unplanned downtime to less than thirty minutes per year.

Closing Thoughts

Policies out of Washington DC this past year have reduced taxes and regulations while reinforcing property rights and the rule of law. This has enhanced business fundamentals and encouraged risk taking. Global economies have been improving as well. On the downside, we are now seeing signs of increased digital speculation in the form of cryptocurrencies, pre-public technology companies and extreme readings of bullish sentiment. In times of easy money, price momentum can overtake fundamental cash flow analysis. We are long overdue for a correction which is both needed and healthy. Over the past century the general US stock market has averaged a 10% correction about every 18 months.

This year the New England Patriots played their eighth Super Bowl with Tom Brady and Bill Belichick at the helm. This dynasty will go down as the best of all time. Yes, they tend to outwork their opponents, but their true advantage may be the fierce discipline in adhering to their proven strategy. In the new documentary "Tom vs Time" Brady explains his mindset for getting ready for the Super Bowl, saying, "You have to put all the noise and hype aside and focus on what you have to do." In a time where there are so many distracting headlines and speculations, we see the need to zero in on implementing a proven enduring investment approach to the markets by drilling down daily on the fundamental drivers of intrinsic value.

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.

Foreside Fund Services, LLC, distributor.

The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 widely held common stocks. The MERVAL Index (MERcado de VALores, literally Stock Market) is the most important index of the Buenos Aires Stock Exchange. It is a price-weighted index, calculated as the market value of a portfolio of stocks selected based on their market share, number of transactions and quotation price. One cannot invest directly in an index or average.

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.