
Auxier Focus Fund

Annual Report

June 30, 2016

Fund Adviser:

Auxier Asset Management LLC

5285 Meadows Road

Suite 333

Lake Oswego, Oregon 97035

Toll Free: (877) 3AUXIER or (877) 328-9437

AUXIER FOCUS FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

JUNE 30, 2016

June's shocking vote by Great Britain to exit the European Union added to volatility for the second quarter. I remember like yesterday investing in the 1990s when negative headlines out of international markets were relentless. Japan's stock market crashed off an immense bubble that peaked in 1989. Mexico suffered a severe Peso devaluation in 1994. Russia defaulted after the energy bust in 1998. East Asia faced a severe financial crisis and meltdown at the same time. Despite such alarming headlines, the superior businesses we owned endured and thrived. And investment flows returned to the US as investors increasingly valued the integrity of our markets and rule of law. These inflows ultimately contributed to bubble valuations in US blue chips in the late 1990s, when we were forced to lighten up. A classic example was Coca Cola, then trading at 50 times earnings.

Today we have similar gloom out of China—the result of an extraordinary borrowing binge. Venezuela is bankrupt and should default. Brazil is in the worst economic downturn in 100 years. And the banking industry in Europe is severely undercapitalized. That is why we have focused not on predicting markets but on valuing individual companies. We strive to own businesses that survive and thrive even when faced with the most extreme macroeconomic challenges. We believe longer term it is more rewarding to be an exceptional business analyst as opposed to a market analyst. One with an eye on knowable fundamentals. To enjoy the fruits of compounding that high return businesses can provide, investors need to stay in the game and not be scared out by negative headlines. Central banks in the US, Japan and Europe continue to add to the distortion in asset values by driving interest rates negative. This is leading to rapid growth in debt accumulation and a “flight to safety” mentality rampant among many investors chasing for yield—often blindly.

At current interest rate levels, there is no chance to maintain purchasing power in the years ahead. Central banks have far too much power to print money and need to be checked. Regarding the misperception that bonds are currently “safe,” author Jim Grant recently dusted off his copy of A History of Interest Rates, first published in 1963 by Sidney Homer and Richard Sylla. Grant figures that over \$13 trillion in sovereign bonds globally now yield negative interest. This is a phenomenon that has never taken place in over 3000 years. So corresponding prices are dangerously expensive. Usually rates rise when corporate balance sheets deteriorate in a free market pricing environment. Central banks have interrupted and impeded the market through bond purchases (some estimates as high as 15% of global corporate and sovereign issues). In the past twenty years, we have seen extreme bubble valuations in tech-telecom, housing and commodities. Now the price extreme is in income vehicles perceived to be “safe.” In order to maintain the compounding process, it is critical to identify bubble valuations and systemically sell into them to reduce exposure. Traveling throughout the country I see rents rising (9% annually in Portland and Seattle), home prices trending higher, healthcare premium renewals rising 12-18%, costs of maintenance, repair and property taxes surging, and wage gains as shortages abound among skilled workers. Traffic is jammed, airports are packed. This is not a depression environment that warrants zero interest rates. There is talk of instigating even more aggressive money printing policies (so-called helicopter money) in Japan. It is helpful to revisit such devastating policies during Germany's Weimar Republic after World War I. Then the bulk of German investors were hiding out in bonds during a recessionary economy. In 1921 the German currency stabilized at 90 marks to the US dollar. By November 1923, the American dollar was worth 4,210,500,000 marks. On a recent research trip, I saw a bumper sticker that read, “Sure You Can Trust The Government, Just Ask An Indian.” When it comes to your investments you can trust a little, but you need to constantly verify the facts and fundamentals.

**AUXIER FOCUS FUND
PERFORMANCE UPDATE****June 30, 2016****ANNUALIZED**

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	6.94%	6.57%	7.34%	6.39%	1.58%
S&P 500 Index	4.37%	7.42%	12.10%	11.66%	3.99%

CUMULATIVE

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	212.47%	88.88%	42.49%	20.41%	1.58%
S&P 500 Index	106.74%	104.65%	77.02%	39.20%	3.99%

* Fund inception: July 9, 1999

AUXIER FOCUS FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

JUNE 30, 2016

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 1.27%. 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 to 1.14%, which is in effect until October 31, 2016. Other share classes may vary. The Fund charges a 2.0% redemption fee on shares redeemed within 180 days of purchase. For the most recent month-end performance, please call (877)328-9437 or visit the Advisor's website at www.auxierasasset.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.

Portfolio Highlights

Auxier Focus Fund's equities returned 2.62% in second quarter 2016, with 15% in foreign stocks and 11% in cash and short-term cash equivalents. The total portfolio gained 2% for the second quarter and 2.55% year to date. The S&P 500 index returned 2.46% and 3.84% for the same periods, respectively. We continue to seek out bargains among businesses that sport strong balance sheets, historically high returns on invested capital and attractive and growing free cash flow yields. Such impressive companies tend to have the strength to raise dividends over time and survive the harshest economic conditions. When stock prices are too high, we park some of our cash in "market agnostic" short-term investments that we refer to as workouts. We track earnings, cash flow and mandatory capital spending closely for each business. If the earnings and cash flow decline over the next five years, the stock will surely be lower.

Where We're Finding Value in Volatile Times

We see attractive values in industry leading biotech companies like Biogen. It has a powerful research culture that dominates the field of multiple sclerosis drugs and is a potential leader in Alzheimer's with the drug Aducanumab. There are 5.4 million Americans suffering from Alzheimer's. Biogen recently went on sale for 13 times earnings, a steep discount to its five-year trading range with a free cash flow yield more than triple the prevailing ten-year government bond yield. That valuation also might prove enticing to cash rich competitors as a takeover prospect. Core Fund holdings like Medtronic project generating over \$40 billion in free cash the next five years (Omar Ishrak, CEO). S&P Global Market Intelligence expects 2016 healthcare earnings to be up 6.5%—higher than all but one sector. Other top Fund holdings executing in healthcare include UnitedHealth, Johnson & Johnson, Zimmer Biomet, and CVS. Again, many of these holdings have recent free cash flow yields far in excess of the prevailing long bond yields. Merck is leading advances in immunotherapy for cancer cures with the drug Keytruda, where sales have increased from \$110 million to over \$314 million in the past year. I recently spent time visiting companies involved in medical marijuana. I strongly believe that the anti-inflammatory properties of Cannabinoid (the nondrug part of the plant) will be proved effective in replacing often-addictive painkillers. Twenty-five states in the US have legalized medicinal marijuana. Germany's Health Minister said the country will legalize in 2017 with health insurers reimbursing as well. Canada, Australia and Italy look as if they may follow within the next couple of years.

Top Holdings on 6/30/16	% Assets
Pepsico	3.9
Unitedhealth Group	3.4
Bank of New York Mellon	3.4
Philip Morris International	3.4
Medtronic PLC	3.3
Kroger	3.0
Molson Coors Brewing	3.0
Johnson & Johnson	2.9
Merck & Co.	2.4
Microsoft	2.4

Lower energy prices ultimately are good for a US economy that is 70% consumption and 85% service oriented. There now is a glut of refined fuel partly due to the expansion of refinery capacity in Asia. This opens the door for a very palatable 10 cent gas tax that could fund badly needed infrastructure in the US as online shopping (and deliveries) continue to show greatest growth in retail spending. US construction spending on infrastructure (as a percentage of GDP) is running the lowest in over 30 years—and odds favor a big boost after the elections. Every energy crash that I have invested through has led to very strong fundamentals for our economy and higher interest rates. Low fuel prices and mobile technology are contributing to a travel boom as Americans have logged over 3 trillion road miles this past year. Convenience store purchases for foods and beverages continue to be strong. On the negative side, a flood of capital into big grocery chains has created excess capacity

AUXIER FOCUS FUND

A MESSAGE TO OUR SHAREHOLDERS (Unaudited)

JUNE 30, 2016

and hypercompetitive pricing of goods. Improved data analytics make it easier to overproduce and oversupply. We see numerous businesses afflicted with gluts. These are problems of “abundance.”

Fund holdings Molson Coors and Altria were beneficiaries of the buyout of SABMiller by AB InBev. This is a case where cumulative knowledge in an industry helped enhance returns in a flat market. Molson appreciated over 150% since our purchase four years ago as the industry has consolidated. Altria was a major shareholder of SABMiller, and Molson will be able to buy joint venture assets of Miller at attractive price levels as part of this buyout deal. We see the need for media content consolidation led by Liberty Media founder John Malone. We also see attractive valuations in companies like Discovery Communications (Malone is its largest individual shareholder). Discovery owns its content and trades at a steep discount to private market value. While domestic banks are very cheap, they continue to suffer from headwinds of souring energy loans, low net-interest margins and deteriorating subprime car loans. Look for more trouble for banks directly exposed to the oil patch as well as the farm belt. Insurers suffer with zero interest rates as investment portfolio “float” becomes worth less. I believe autonomous cars ultimately will pose a material risk for auto insurers as accident rates are sure to fall. Technology disruption ranks as one of the biggest risks to investing in today’s markets. The growth of online shopping, mobile communications and data analytics is transforming entire industries. In highly valued stock markets, risk management becomes more critical to minimize the threat of “torpedoes.” These are pricey stocks with very high investor expectations that can suddenly disappoint, crash and torpedo the portfolio. In allocating, we see a strong need to maintain cash and/or market agnostic positions to take advantage of bargain purchases that result when the electronic herd panics. Historically, market indices can be flat for decades. The Dow Jones Industrials rose one measly point between 1964-1981. For my money, I want to trust in a focused daily research effort to identify compelling opportunities. This process combines price discovery and cumulative industry knowledge to quantify and reduce risk while improving odds of success. Investing is the “craft of the specific.” Our returns depend on carefully studied company selection, not the market. Life savings are too important to be left to chance. With regard to holding excess cash in portfolios, in market crashes there tends to be 85% correlation on the downside. So we view the cash in the portfolio as integral to make exceptional buys in times of panic.

We appreciate your trust.

Jeff Auxier

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.

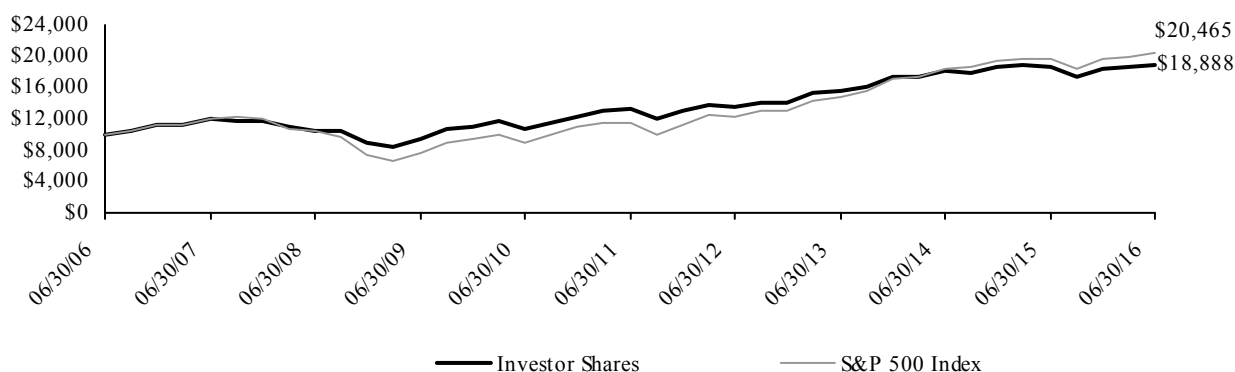
The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 widely held common stocks. The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. One cannot invest directly 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.

AUXIER FOCUS FUND
PERFORMANCE CHART AND ANALYSIS (Unaudited)
JUNE 30, 2016

The following chart reflects the change in the value of a hypothetical \$10,000 investment in Investor Shares, including reinvested dividends and distributions, in the Fund compared with the performance of the benchmark, the S&P 500 Index ("S&P 500"), over the past ten fiscal years. The S&P 500 is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The total return of the Fund's classes includes the maximum sales charge of 5.75% (A Shares only) and operating expenses that reduce returns, while the total return of the S&P 500 does not include the effect of sales charges and expenses. A Shares are subject to a 1.00% contingent deferred sales charge on shares purchased without an initial sales charge and redeemed less than one year after purchase. The total return of the S&P 500 includes the reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the S&P 500 does not include expenses. The Fund is professionally managed, while the S&P 500 is unmanaged and is not available for investment.

**Comparison of Change in Value of a \$10,000 Investment
Investor Shares vs. S&P 500 Index**



**Average Annual Total Returns
Periods Ended June 30, 2016:**

	1 Year	5 Years	10 Years	Since Inception⁽¹⁾
Investor Shares	1.58%	7.34%	6.57%	6.94%
S&P 500 Index (Since July 9, 1999)	3.99%	12.10%	7.42%	4.37%
A Shares (with sales charge) ⁽²⁾⁽³⁾	-4.34%	6.05%	5.91%	6.56%
Institutional Shares ⁽³⁾	1.74%	7.53%	6.66%	7.00%

⁽¹⁾ Investor, A Shares and Institutional Shares commenced operations on July 9, 1999, July 8, 2005, and May 9, 2012, respectively.

⁽²⁾ Due to shareholder redemptions on August 21, 2005, net assets of the class were zero from the close of business on that date until September 22, 2005.

Financial information presented for the period August 21, 2005 to September 22, 2005 reflects performance of Investor Shares of the Fund.

⁽³⁾ For Institutional Shares, performance for the 5-year, 10-year and since inception periods are blended average annual returns which include the returns of the Investor Shares prior to commencement of operations of the Institutional Shares. For A Shares, performance for the since inception period is a blended average annual which includes the return of the Investor Shares prior to commencement of operations of the A Shares.

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 shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please visit the website of the Fund's investment adviser at www.auxierasset.com or call (877) 328-9437. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Investor Shares, A Shares and Institutional Shares are 1.27%, 1.56% and 1.36%, respectively. However, the Fund's adviser has contractually agreed to waive a portion of its fees and/or to reimburse expenses to limit total annual fund operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend expenses on short sales, and extraordinary expenses) to 1.14%, 1.25% and 1.00% for Investor Shares, A Shares and Institutional Shares, respectively through October 31, 2016. Shares redeemed or exchanged within 180 days of purchase will be charged a 2.00% redemption fee. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized.

Performance for Investor Shares for periods prior to December 10, 2004, reflects performance and expenses 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.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2016

Shares	Security Description	Value	Shares	Security Description	Value
Common Stock - 89.7%			Financials - 16.5%		
Communications - 3.3%			42,250	Aflac, Inc.	\$ 3,048,760
289,525	America Movil SAB de CV, ADR	\$ 3,549,577	39,000	American International Group, Inc.	2,062,710
23,159	Cisco Systems, Inc.	664,432	1,280	Ameriprise Financial, Inc.	115,008
1,100	eBay, Inc. ^(a)	25,751	213,649	Bank of America Corp.	2,835,122
249,738	Telefonica SA, ADR	2,367,516	16,415	Berkshire Hathaway, Inc., Class B ^(a)	2,376,728
37,860	Twenty-First Century Fox, Inc., Class A	1,024,113	70,374	Central Pacific Financial Corp.	1,660,826
11,845	Viacom, Inc., Class B	491,212	23,650	Citigroup, Inc.	1,002,523
		<u>8,122,601</u>	5,616	Colliers International Group, Inc.	191,730
Consumer Discretionary - 7.7%			132,268	Credit Suisse Group AG, ADR	1,415,268
47,475	Apollo Education Group, Inc., Class A ^(a)	432,972	5,616	FirstService Corp.	257,381
18,000	Arcos Dorados Holdings, Inc., Class A ^(a)	85,860	82,110	Franklin Resources, Inc.	2,740,011
119	Charter Communications, Inc., Class A ^(a)	27,208	24,900	Legg Mason, Inc.	734,301
37,860	Comcast Corp., Class A	2,468,093	10,525	Marsh & McLennan Cos., Inc.	720,541
16,020	CST Brands, Inc.	690,142	60,150	MasterCard, Inc., Class A	5,296,809
9,990	CVS Health Corp.	956,443	1,100	PayPal Holdings, Inc. ^(a)	40,161
113,377	Discovery Communications, Inc., Class A ^(a)	2,860,502	217,200	The Bank of New York Mellon Corp.	8,438,220
4,641	Discovery Communications, Inc., Class C ^(a)	110,688	38,418	The Travelers Cos., Inc.	4,573,279
16,250	General Motors Co.	459,875	7,350	U.S. Bancorp	296,426
67,162	H&R Block, Inc.	1,544,726	21,849	Unum Group	694,580
230,433	Lincoln Educational Services Corp. ^(a)	345,649	31,600	Visa, Inc., Class A	2,343,772
18,550	Lowe's Cos., Inc.	1,468,603	23,000	Waddell & Reed Financial, Inc., Class A	396,060
7,656	McDonald's Corp.	921,323	500	Wells Fargo & Co.	23,665
2,100	Michael Kors Holdings, Ltd. ^(a)	103,908			<u>41,263,881</u>
1,160	Red Robin Gourmet Burgers, Inc. ^(a)	55,019	Health Care - 23.1%		
3,250	Sally Beauty Holdings, Inc. ^(a)	95,583	42,600	Abbott Laboratories	1,674,606
1,176	The Andersons, Inc.	41,795	2,900	Alkermes PLC ^(a)	125,338
4,725	The Home Depot, Inc.	603,335	550	Allergan PLC ^(a)	127,100
12,650	Time Warner, Inc.	930,281	23,591	Anthem, Inc.	3,098,442
28,135	Vitamin Shoppe, Inc. ^(a)	860,087	17,200	Becton Dickinson and Co.	2,916,948
50,050	Wal-Mart Stores, Inc.	3,654,651	10,125	Biogen, Inc. ^(a)	2,448,428
7,050	Yum! Brands, Inc.	584,586	13,580	Community Health Systems, Inc. ^(a)	163,639
		<u>19,301,329</u>	47,424	Express Scripts Holding Co. ^(a)	3,594,739
Consumer Staples - 25.5%			525	Gilead Sciences, Inc.	43,796
62,500	Altria Group, Inc.	4,310,000	44,300	GlaxoSmithKline PLC, ADR	1,919,962
15,100	British American Tobacco PLC, ADR	1,955,148	59,240	Johnson & Johnson	7,185,812
5,351	Cal-Maine Foods, Inc.	237,156	1,100	Laboratory Corp. of America Holdings ^(a)	143,297
13,200	Coca-Cola HBC AG, ADR ^(a)	265,188	95,003	Medtronic PLC	8,243,410
48,435	ConAgra Foods, Inc.	2,315,677	105,169	Merck & Co., Inc.	6,058,786
8,785	Diageo PLC, ADR	991,651	13,582	Pfizer, Inc.	478,222
30,050	Dr. Pepper Snapple Group, Inc.	2,903,732	50,267	Quest Diagnostics, Inc.	4,092,236
20,100	Kelly Services, Inc., Class A	381,297	1,303	Shire PLC, ADR	239,856
73,707	Molson Coors Brewing Co., Class B	7,453,989	10,280	St. Jude Medical, Inc.	801,840
12,100	Monster Beverage Corp. ^(a)	1,944,591	60,674	UnitedHealth Group, Inc.	8,567,169
91,660	PepsiCo, Inc.	9,710,460	47,400	Zimmer Biomet Holdings, Inc.	5,706,012
82,520	Philip Morris International, Inc.	8,393,934			<u>57,629,638</u>
449,921	Tesco PLC, ADR ^(a)	3,158,445	Industrials - 3.3%		
64,300	The Coca-Cola Co.	2,914,719	1,400	AGCO Corp.	65,982
2,845	The JM Smucker Co.	433,606	256,341	Corning, Inc.	5,249,864
203,368	The Kroger Co.	7,481,909	12,500	Raytheon Co.	1,699,375
32,925	The Procter & Gamble Co.	2,787,760	5,675	Textainer Group Holdings, Ltd.	63,220
109,720	The Western Union Co. ^(a)	2,104,430	2,550	The Boeing Co.	331,168
81,550	Unilever NV, ADR	3,827,957	8,515	United Parcel Service, Inc., Class B	917,236
		<u>63,571,649</u>			<u>8,326,845</u>
Energy - 3.4%			Information Technology - 3.9%		
144,810	BP PLC, ADR	5,142,203	10,275	Intel Corp.	337,020
11,130	Chevron Corp.	1,166,758	115,147	Microsoft Corp.	5,892,072
15,600	ConocoPhillips	680,160	82,320	Oracle Corp.	3,369,358
7,800	Phillips 66	618,852			<u>9,598,450</u>
19,100	Valero Energy Corp.	974,100	Materials - 2.7%		
		<u>8,582,073</u>	30,715	E.I. du Pont de Nemours & Co.	1,990,332

See Notes to Financial Statements.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2016

Shares	Security Description	Value	
25,870	LyondellBasell Industries NV, Class A	\$ 1,925,245	
47,350	The Dow Chemical Co.	2,353,768	
21,675	The Mosaic Co.	567,452	
		<u>6,836,797</u>	
Telecommunications - 0.2%			
7,335	Verizon Communications, Inc.	409,586	
Transportation - 0.1%			
3,160	Union Pacific Corp.	275,710	
Total Common Stock (Cost \$146,573,543)		<u>223,918,559</u>	
Principal	Rate	Maturity	Value
Corporate Non-Convertible Bonds - 0.3%			
Energy - 0.0%			
\$ 18,000	Devon Energy Corp.	2.25% 12/15/18	17,884
Financials - 0.3%			
290,000	Bank of America Corp. ^(b)	8.00 12/29/49	288,550
500,000	Bank of America Corp., Series M ^(b)	8.13 11/15/49	501,875
			<u>790,425</u>
Total Corporate Non-Convertible Bonds (Cost \$801,594)			<u>808,309</u>
Total Investments - 90.0% (Cost \$147,375,137)*			<u>\$ 224,726,868</u>
Other Assets & Liabilities, Net - 10.0%			<u>24,861,017</u>
Net Assets - 100.0%			<u><u>\$ 249,587,885</u></u>
ADR	American Depositary Receipt		
PLC	Public Limited Company		
(a)	Non-income producing security.		
(b)	Variable rate security. Rate presented is as of June 30, 2016.		

* Cost for federal income tax purposes is \$147,393,109 and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 92,477,704
Gross Unrealized Depreciation	(15,143,945)
Net Unrealized Appreciation	<u><u>\$ 77,333,759</u></u>

The following is a summary of the inputs used to value the Fund's investments as of June 30, 2016.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in Note 2 of the accompanying Notes to Financial Statements.

	Level 1	Level 2	Level 3	Total
Investments At Value				
Common Stock				
Communications	\$ 8,122,601	\$ -	\$ -	\$ 8,122,601
Consumer Discretionary	19,301,329	-	-	19,301,329
Consumer Staples	63,571,649	-	-	63,571,649
Energy	8,582,073	-	-	8,582,073
Financials	41,263,881	-	-	41,263,881
Health Care	57,629,638	-	-	57,629,638
Industrials	8,326,845	-	-	8,326,845
Information Technology	9,598,450	-	-	9,598,450
Materials	6,836,797	-	-	6,836,797
Telecommunications	409,586	-	-	409,586
Transportation	275,710	-	-	275,710
Corporate Non-Convertible Bonds	-	808,309	-	808,309
Total Investments At Value	<u>\$223,918,559</u>	<u>\$808,309</u>	<u>\$ -</u>	<u>\$224,726,868</u>

The Fund utilizes the end of period methodology when determining transfers. There were no transfers among Level 1, Level 2 and Level 3 for the year ended June 30, 2016.

PORTFOLIO HOLDINGS

% of Net Assets	
Common Stock	89.7%
Corporate Non-Convertible Bonds	0.3%
Cash and Other Net Assets	10.0%
	<u><u>100.0%</u></u>

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2016

ASSETS

Total investments, at value (Cost \$147,375,137)	\$ 224,726,868
Cash	24,631,851
Receivables:	
Fund shares sold	126,664
Investment securities sold	493,326
Dividends and interest	335,145
Prepaid expenses	22,164
Total Assets	<u>250,336,018</u>

LIABILITIES

Payables:	
Investment securities purchased	343,327
Fund shares redeemed	170,299
Accrued Liabilities:	
Investment adviser fees	164,271
Trustees' fees and expenses	200
Fund services fees	27,655
Other expenses	42,381
Total Liabilities	<u>748,133</u>

NET ASSETS

\$ 249,587,885

COMPONENTS OF NET ASSETS

Paid-in capital	\$ 167,564,023
Undistributed net investment income	1,407,648
Accumulated net realized gain	3,264,483
Net unrealized appreciation	77,351,731

NET ASSETS

\$ 249,587,885

SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)

Investor Shares	10,355,653
A Shares	135,581
Institutional Shares	2,152,510

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*

Investor Shares (based on net assets of \$203,920,917)	<u>\$ 19.69</u>
A Shares (based on net assets of \$2,698,018)	<u>\$ 19.90</u>
A Shares Maximum Public Offering Price Per Share (net asset value per share/(100%-5.75%))	<u>\$ 21.11</u>
Institutional Shares (based on net assets of \$42,968,950)	<u>\$ 19.96</u>

* Shares redeemed or exchanged within 180 days of purchase are charged a 2.00% redemption fee.

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2016

INVESTMENT INCOME

Dividend income (Net of foreign withholding taxes of \$55,372)	\$ 5,628,697
Interest income	<u>47,710</u>
Total Investment Income	<u>5,676,407</u>

EXPENSES

Investment adviser fees	2,535,612
Fund services fees	330,763
Transfer agent fees:	
Investor Shares	72,083
A Shares	1,516
Institutional Shares	420
Distribution fees:	
A Shares	9,626
Custodian fees	25,706
Registration fees:	
Investor Shares	20,308
A Shares	4,055
Institutional Shares	13,109
Professional fees	43,222
Trustees' fees and expenses	18,115
Miscellaneous expenses	<u>233,763</u>
Total Expenses	3,308,298
Fees waived and expenses reimbursed	<u>(463,564)</u>
Net Expenses	<u>2,844,734</u>

NET INVESTMENT INCOME

2,831,673

NET REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain on investments	9,730,243
Net change in unrealized appreciation (depreciation) on investments	<u>(8,819,697)</u>

NET REALIZED AND UNREALIZED GAIN

910,546

INCREASE IN NET ASSETS RESULTING FROM OPERATIONS

\$ 3,742,219

AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	<u>For the Year Ended June 30, 2016</u>		<u>For the Year Ended June 30, 2015</u>	
		<u>Shares</u>		<u>Shares</u>
OPERATIONS				
Net investment income	\$ 2,831,673		\$ 2,442,638	
Net realized gain	9,730,243		7,121,019	
Net change in unrealized appreciation (depreciation)	<u>(8,819,697)</u>		<u>(1,503,747)</u>	
Increase in Net Assets Resulting from Operations		<u>3,742,219</u>		<u>8,059,910</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income:				
Investor Shares	(2,248,905)		(2,637,509)	
A Shares	(22,824)		(39,538)	
Institutional Shares	(385,094)		(70,657)	
Net realized gain:				
Investor Shares	(9,632,084)		(7,849,090)	
A Shares	(170,302)		(148,394)	
Institutional Shares	<u>(1,612,577)</u>		<u>(238,876)</u>	
Total Distributions to Shareholders		<u>(14,071,786)</u>		<u>(10,984,064)</u>
CAPITAL SHARE TRANSACTIONS				
Sale of shares:				
Investor Shares	20,810,841	1,061,055	26,562,823	1,276,816
A Shares	11,861	568	873,139	41,598
Institutional Shares	13,491,947	684,197	21,941,682	1,039,287
Reinvestment of distributions:				
Investor Shares	11,337,657	585,561	10,140,585	499,068
A Shares	172,938	8,861	177,386	8,692
Institutional Shares	1,964,718	100,186	309,533	15,098
Redemption of shares:				
Investor Shares	(50,933,072)	(2,604,822)	(87,469,825)	(4,198,398)
A Shares	(2,827,075)	(142,309)	(564,363)	(26,856)
Institutional Shares	(941,455)	(47,755)	(443,719)	(21,158)
Redemption fees	11,282	-	11,230	-
Decrease in Net Assets from Capital Share Transactions	<u>(6,900,358)</u>	<u>(354,458)</u>	<u>(28,461,529)</u>	<u>(1,365,853)</u>
Decrease in Net Assets		<u>(17,229,925)</u>		<u>(31,385,683)</u>
NET ASSETS				
Beginning of Year		<u>266,817,810</u>		<u>298,203,493</u>
End of Year (Including line (a))	<u>\$ 249,587,885</u>		<u>\$ 266,817,810</u>	
(a) Undistributed net investment income	<u>\$ 1,407,648</u>		<u>\$ 1,232,798</u>	

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout each year.

	For the Year Ended June 30,				
	2016	2015	2014	2013	2012
INVESTOR SHARES					
NET ASSET VALUE, Beginning of Year	\$ 20.50	\$ 20.75	\$ 18.59	\$ 16.49	\$ 16.45
INVESTMENT OPERATIONS					
Net investment income (a)	0.21	0.17	0.20	0.21	0.22
Net realized and unrealized gain	0.08	0.38	2.63	2.23	0.20(b)
Total from Investment Operations	0.29	0.55	2.83	2.44	0.42
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.20)	(0.20)	(0.22)	(0.22)	(0.16)
Net realized gain	(0.90)	(0.60)	(0.45)	(0.12)	(0.23)
Total Distributions to Shareholders	(1.10)	(0.80)	(0.67)	(0.34)	(0.39)
REDEMPTION FEES (a)	—(c)	—(c)	—(c)	—(c)	0.01
NET ASSET VALUE, End of Year	\$ 19.69	\$ 20.50	\$ 20.75	\$ 18.59	\$ 16.49
TOTAL RETURN	1.58%	2.69%	15.43%	15.06%	2.84%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000's omitted)	\$203,921	\$231,911	\$285,094	\$277,536	\$243,366
Ratios to Average Net Assets:					
Net investment income	1.10%	0.83%	1.00%	1.22%	1.36%
Net expenses	1.14%	1.24%	1.24%	1.25%	1.25%
Gross expenses (d)	1.30%	1.27%	1.26%	1.28%	1.27%
PORTFOLIO TURNOVER RATE	6%	4%	9%	11%	8%

(a) Calculated based on average shares outstanding during each year.

(b) The net realized and unrealized gain (loss) per share does not correlate to the aggregate of the net realized and unrealized loss in the Statement of Operations for the year ended June 30, 2012, primarily due to the timing of the sales and repurchases of the Fund's shares in relation to fluctuating market values for the Fund's portfolio.

(c) Less than \$0.01 per share.

(d) Reflects the expense ratio excluding any waivers and/or reimbursements.

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout each year.

A SHARES	For the Year Ended June 30,				
	2016	2015	2014	2013	2012
NET ASSET VALUE, Beginning of Year	\$ 20.64	\$ 20.85	\$ 18.63	\$ 16.49	\$ 16.45
INVESTMENT OPERATIONS					
Net investment income (a)	0.19	0.18	0.20	0.21	0.22
Net realized and unrealized gain	0.09	0.36	2.64	2.24	0.21(b)
Total from Investment Operations	0.28	0.54	2.84	2.45	0.43
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.12)	(0.15)	(0.17)	(0.19)	(0.16)
Net realized gain	(0.90)	(0.60)	(0.45)	(0.12)	(0.23)
Total Distributions to Shareholders	(1.02)	(0.75)	(0.62)	(0.31)	(0.39)
REDEMPTION FEES (a)	—(c)	—(c)	—(c)	—(c)	—(c)
NET ASSET VALUE, End of Year	\$ 19.90	\$ 20.64	\$ 20.85	\$ 18.63	\$ 16.49
TOTAL RETURN (d)	1.49%	2.63%	15.45%	15.06%	2.84%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000's omitted)	\$2,698	\$5,541	\$5,108	\$2,158	\$1,694
Ratios to Average Net Assets:					
Net investment income	0.94%	0.84%	1.02%	1.22%	1.39%
Net expenses	1.25%	1.25%	1.25%	1.25%	1.25%
Gross expenses (e)	1.61%	1.56%	1.62%	1.62%	1.52%
PORTFOLIO TURNOVER RATE	6%	4%	9%	11%	8%

(a) Calculated based on average shares outstanding during each year.

(b) The net realized and unrealized gain (loss) per share does not correlate to the aggregate of the net realized and unrealized loss in the Statement of Operations for the year ended June 30, 2012, primarily due to the timing of the sales and repurchases of the Fund's shares in relation to fluctuating market values for the Fund's portfolio.

(c) Less than \$0.01 per share.

(d) Total Return does not include the effect of front end sales charge or contingent deferred sales charge.

(e) Reflects the expense ratio excluding any waivers and/or reimbursements.

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout each period.

	For the Year Ended June 30,				May 9, 2012 (a)
	2016	2015	2014	2013	through June 30, 2012
INSTITUTIONAL SHARES					
NET ASSET VALUE, Beginning of Period	\$ 20.74	\$ 20.91	\$ 18.66	\$ 16.50	\$ 16.27
INVESTMENT OPERATIONS					
Net investment income (b)	0.25	0.24	0.25	0.26	0.04
Net realized and unrealized gain	0.08	0.36	2.64	2.22	0.19
Total from Investment Operations	0.33	0.60	2.89	2.48	0.23
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.21)	(0.17)	(0.19)	(0.20)	—
Net realized gain	(0.90)	(0.60)	(0.45)	(0.12)	—
Total Distributions to Shareholders	(1.11)	(0.77)	(0.64)	(0.32)	—
REDEMPTION FEES (b)	—(c)	—(c)	—(c)	—(c)	—(c)
NET ASSET VALUE, End of Period	<u>\$ 19.96</u>	<u>\$ 20.74</u>	<u>\$ 20.91</u>	<u>\$ 18.66</u>	<u>\$ 16.50</u>
TOTAL RETURN	1.74%	2.93%	15.73%	15.28%	1.41%(d)
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Period (000's omitted)	\$42,969	\$29,366	\$8,001	\$5,313	\$1,230
Ratios to Average Net Assets:					
Net investment income	1.27%	1.13%	1.25%	1.48%	1.62%(e)
Net expenses	1.00%	1.00%	1.00%	1.00%	1.10%(e)
Gross expenses (f)	1.31%	1.36%	1.47%	1.55%	1.50%(e)
PORTFOLIO TURNOVER RATE	6%	4%	9%	11%	8%(d)

(a) Commencement of operations.

(b) Calculated based on average shares outstanding during each period.

(c) Less than \$0.01 per share.

(d) Not annualized.

(e) Annualized.

(f) Reflects the expense ratio excluding any waivers and/or reimbursements.

Note 1. Organization

The Auxier Focus Fund (the “Fund”) is a diversified portfolio of Forum Funds (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940, as amended (the “Act”). Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund’s shares of beneficial interest without par value.

The Fund currently offers three classes of shares: Investor Shares, A Shares and Institutional Shares. A Shares are offered at net asset value plus a maximum sales charge of 5.75%. A Shares are also subject to contingent deferred sales charge (“CDSC”) of 1.00% on purchases without an initial sales charge and redeemed less than one year after they are purchased. Investor Shares and Institutional Shares are not subject to a sales charge. Investor Shares, A Shares and Institutional Shares commenced operations on July 9, 1999, July 8, 2005 and May 9, 2012, respectively. The Fund’s investment objective is to provide long-term capital appreciation.

Note 2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increases and decreases in net assets from operations during the fiscal year. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

Security Valuation – Exchange-traded securities and over-the-counter securities are valued using the last quoted trade or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and ask price provided by independent pricing services. Non-exchange-traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale, at the mean of the last bid and ask prices provided by independent pricing services. Debt securities may be valued at prices supplied by a fund’s pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics such as rating, interest rate and maturity. Shares of open-end mutual funds are valued at net asset value (“NAV”). Short-term investments that mature in 60 days or less may be valued at amortized cost.

The Fund values its investments at fair value pursuant to procedures adopted by the Trust's Board of Trustees (the "Board") if (1) market quotations are insufficient or not readily available or (2) the Adviser, as defined in Note 4, believes that the values available are unreliable. The Trust’s Valuation Committee, as defined in the Fund’s registration statement, performs certain functions as they relate to the administration and oversight of the Fund’s valuation procedures. Under these procedures, the Valuation Committee convenes on a regular and ad-hoc basis to review such investments and considers a number of factors, including valuation methodologies and significant unobservable inputs, when arriving at fair value.

The Valuation Committee may work with the Adviser to provide valuation inputs. In determining fair valuations, inputs may include market-based analytics which may consider related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant investment information. Adviser inputs may include an income-based approach in which the anticipated future cash flows of the investment are discounted in determining fair value. Discounts may also be applied based on the nature or duration of any restrictions on the disposition of the investments. The Valuation Committee performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

Fair valuation is based on subjective factors and, as a result, the fair value price of an investment may differ from the security’s market price and may not be the price at which the asset may be sold. Fair valuation could result in a different Net Asset Value (“NAV”) than a NAV determined by using market quotes.

The Fund has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various “inputs” used to determine the value of the Fund’s investments. These inputs are summarized in the three broad levels listed below:

Level 1 — quoted prices in active markets for identical assets and liabilities

Level 2 — other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The aggregate value by input level, as of June 30, 2016, for the Fund's investments is included at the end of the Fund's Schedule of Investments.

Security Transactions, Investment Income and Realized Gain and Loss – Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Foreign dividend income is recorded on the ex-dividend date or as soon as possible after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding taxes, which are accrued as applicable. Interest income is recorded on an accrual basis. Premium is amortized and discount is accreted using the effective interest method. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

Foreign Currency Translations – Foreign currency amounts are translated into U.S. dollars as follows: (1) assets and liabilities at the rate of exchange at the end of the respective period; and (2) purchases and sales of securities and income and expenses at the rate of exchange prevailing on the dates of such transactions. The portion of the results of operations arising from changes in the exchange rates and the portion due to fluctuations arising from changes in the market prices of securities are not isolated. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Distributions to Shareholders – Distributions to shareholders of net investment income and net capital gains, if any, are declared and paid at least annually. Distributions to shareholders are recorded on the ex-dividend date. Distributions are based on amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by the Fund, timing differences and differing characterizations of distributions made by the Fund.

Federal Taxes – The Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as amended ("Code"), and to distribute all of its taxable income to shareholders. In addition, by distributing in each calendar year substantially all of its net investment income and capital gains, if any, the Fund will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. The Fund files a U.S. federal income and excise tax return as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of June 30, 2016, there are no uncertain tax positions that would require financial statement recognition, de-recognition or disclosure.

Income and Expense Allocation – The Trust accounts separately for the assets, liabilities and operations of each of its investment portfolios. Expenses that are directly attributable to more than one investment portfolio are allocated among the respective investment portfolios in an equitable manner.

The Fund's class-specific expenses are charged to the operations of that class of shares. Income and expenses (other than expenses attributable to a specific class) and realized and unrealized gains or losses on investments are allocated to each class of shares based on the class' respective net assets to the total net assets of the Fund.

Redemption Fees – A shareholder who redeems shares within 180 days of purchase will incur a redemption fee of 2.00% of the current net asset value of shares redeemed, subject to certain limitations. The fee is charged for the benefit of the remaining shareholders and will be paid to the Fund to help offset transaction costs. The fee is accounted for as an addition to paid-in capital. The Fund reserves the right to modify the terms of or terminate the fee at any time. There are limited exceptions to the imposition of the redemption fee.

Commitments and Contingencies – In the normal course of business, the Fund enters into contracts that provide general indemnifications by the Fund to the counterparty to the contract. The Fund’s maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

Note 3. Cash – Concentration in Uninsured Account

For cash management purposes the Fund may concentrate cash with the Fund’s custodian. This typically results in cash balances exceeding the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. As of June 30, 2016, the Fund held \$24,381,851 as cash reserves at MUFG Union Bank, N.A. that exceeded the FDIC insurance limit.

Note 4. Fees and Expenses

Investment Adviser – Auxier Asset Management LLC (the “Adviser”), is the investment adviser to the Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee from the Fund at an annual rate of 1.00% of the Fund’s average daily assets.

Distribution – Foreside Fund Services, LLC serves as the Fund’s distributor (the “Distributor”). The Distributor is not affiliated with the Adviser or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) (“Atlantic”) or their affiliates. The Fund has adopted a Distribution Plan (the “Plan”) for A Shares of the Fund in accordance with Rule 12b-1 of the Act. Under the Plan, the Fund pays the Distributor and/or any other entity as authorized by the Board a fee of up to 0.25% of the average daily net assets of A Shares. The Distributor has no role in determining the investment policies or which securities are to be purchased or sold by the Trust or its Funds.

For the year ended June 30, 2016, there were \$724 in front-end sales charges assessed on the sale of A Shares and no contingent deferred sales charges were assessed on the sale of A Shares. The Distributor received \$94 of the total front-end sales charges. Such amounts are set aside by the Distributor and used solely for distribution-related expenses.

Other Service Providers – Atlantic provides fund accounting, fund administration, compliance and transfer agency services to the Fund. Atlantic also provides certain shareholder report production and EDGAR conversion and filing services. Atlantic provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer and an Anti-Money Laundering Officer to the Fund, as well as certain additional compliance support functions.

Trustees and Officers – The Trust pays each independent Trustee an annual retainer fee of \$50,000 for service to the Trust (\$66,000 for the Chairman). The Audit Committee Chairman and Vice Chairman receive an additional \$6,000 annually. The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees’ fees attributable to the Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from the Fund.

Note 5. Expense Reimbursements and Fees Waived

The Adviser has contractually agreed to waive a portion of its fees and reimburse expenses through October 31, 2016, to the extent necessary to maintain the total operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend expenses on short sales, and extraordinary expenses) at 1.14%, 1.25% and 1.00% of average daily net assets of the Investor Shares, A Shares and Institutional Shares respectively. These contractual waivers may only be raised or eliminated with consent of the Board. Other fund service providers have voluntarily agreed to waive a portion of their fees. These voluntary reductions may be reduced or eliminated at any time. For the year ended June 30, 2016, fees waived and expenses reimbursed were as follows:

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

<u>Investment Adviser Fees Waived</u>	<u>Investment Adviser Expenses Reimbursed</u>	<u>Other Waivers</u>	<u>Total Fees Waived</u>
\$ 336,700	\$ 61,613	\$ 65,251	\$ 463,564

Note 6. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the year ended June 30, 2016, were \$13,930,062 and \$31,225,987, respectively.

Note 7. Federal Income Tax

Distributions paid during the fiscal years ended as noted were characterized for tax purposes as follows:

	<u>2016</u>	<u>2015</u>
Ordinary Income	\$ 2,683,607	\$ 2,785,128
Long-Term Capital Gain	11,388,179	8,198,936
	<u>\$ 14,071,786</u>	<u>\$ 10,984,064</u>

As of June 30, 2016, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 1,794,306
Undistributed Long-Term Gain	2,895,797
Unrealized Appreciation	77,333,759
Total	<u>\$ 82,023,862</u>

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to wash sales.

Note 8. Subsequent Events

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact, and the Fund has had no such events.

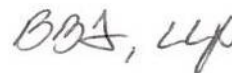
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of Forum Funds
and the Shareholders of Auxier Focus Fund

We have audited the accompanying statement of assets and liabilities of the Auxier Focus Fund (the "Fund"), a series of shares of beneficial interest in the Forum Funds, including the schedule of investments, as of June 30, 2016, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years or period in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2016 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Auxier Focus Fund as of June 30, 2016, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and its financial highlights for each of the years or period in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.



BBD, LLP

Philadelphia, Pennsylvania
August 24, 2016

Proxy Voting Information

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund’s portfolio is available, without charge and upon request, by calling (877) 328-9437, on the Fund’s website at www.auxierasset.com and on the U.S. Securities and Exchange Commission’s (the “SEC”) website at www.sec.gov. The Fund’s proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (877) 328-9437 and on the SEC’s website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. These filings are available, without charge and upon request on the SEC’s website at www.sec.gov or may be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments on certain classes, redemption fees, exchange fees, and CDSC fees, and (2) ongoing costs, including management fees, 12b-1 fees, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund, and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2016, through June 30, 2016.

Actual Expenses – The first line under each share class of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes – The second line under each share class of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) on purchase payments on certain classes, redemption fees, exchange fees, and CDSC fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value January 1, 2016	Ending Account Value June 30, 2016	Expenses Paid During Period*	Annualized Expense Ratio*
Investor Shares				
Actual	\$ 1,000.00	\$ 1,025.51	\$ 5.74	1.14%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,019.19	\$ 5.72	1.14%
A Shares				
Actual	\$ 1,000.00	\$ 1,024.71	\$ 6.29	1.25%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,018.65	\$ 6.27	1.25%

AUXIER FOCUS FUND
ADDITIONAL INFORMATION (Unaudited)
JUNE 30, 2016

	Beginning Account Value January 1, 2016	Ending Account Value June 30, 2016	Expenses Paid During Period*	Annualized Expense Ratio*
Institutional Shares				
Actual	\$ 1,000.00	\$ 1,026.22	\$ 5.04	1.00%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,019.89	\$ 5.02	1.00%

* Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year divided by 366 to reflect the half-year period.

Federal Tax Status of Dividends Declared during the Fiscal Year

For federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Fund designates 100.00% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 100.00% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Internal Revenue Code. The Fund also designates 0.55% of its income dividends as qualified interest income exempt from U.S. tax for foreign shareholders (QII) and 1.00% of its income dividends as qualified short-term gain exempt from U.S. tax for foreign shareholders (QSD).

Trustees and Officers of the Trust

The Board is responsible for oversight of the management of the Trust's business affairs and of the exercise of all the Trust's powers except those reserved for the shareholders. The following table provides information about each Trustee and certain officers of the Trust. Each Trustee and officer holds office until the person resigns, is removed, or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is Three Canal Plaza, Suite 600, Portland, Maine 04101. Mr. Keffer is considered an Interested Trustee due to his affiliation with Atlantic. The Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (877) 328-9437.

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Series of Fund Complex ¹ Overseen by Trustee	Other Directorships Held by Trustee
Independent Trustees					
J. Michael Parish Born: 1943	Chairman of the Board; Trustee; Chairman, Nominating Committee and Qualified Legal Compliance Committee	Since 1989 (Chairman since 2004)	Retired since 2003; formerly, Partner, Wolf, Block, Schorr and Solis-Cohen, LLP (law firm) 2002-2003; Partner, Thelen Reid & Priest LLP (law firm) 1995-2002.	24	None
Costas Azariadis Born: 1943	Trustee	Since 1989	Professor of Economics, Washington University since 2006.	24	None
James C. Cheng Born: 1942	Trustee; Chairman, Audit Committee	Since 1989	President, Technology Marketing Associates (marketing company for small- and medium-sized businesses in New England) since 1991.	24	None
David Tucker Born: 1958	Trustee; Vice Chairman	Since 2011 (Vice Chairman since 2015)	Director, Blue Sky Experience (a charitable endeavor) since 2008; Senior Vice President & General Counsel, American Century Companies (an investment management firm) 1998-2008.	46	Trustee, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds

¹The Fund Complex includes the Trust, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds and is overseen by different Boards of Trustees.

AUXIER FOCUS FUND
ADDITIONAL INFORMATION (Unaudited)
JUNE 30, 2016

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Series of Fund Complex¹ Overseen by Trustee	Other Directorships Held by Trustee
Interested Trustee John Y. Keffer ² Born: 1942	Trustee; Vice Chairman	Since 1989	Chairman, Atlantic since 2008; President, Forum Investment Advisors, LLC since 2011; President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company chartered in the State of Maine) since 1997.	46	Director, Wintergreen Fund, Inc.; Trustee, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds
Officers Jessica Chase Born: 1970	President; Principal Executive Officer	Since 2015	Senior Vice President, Atlantic since 2008.	N/A	N/A
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Atlantic since 2008.	N/A	N/A
Zachary Tackett Born: 1988	Vice President; Secretary; Anti-Money Laundering Compliance Officer	Since 2014	Associate Counsel, Atlantic since 2014; Intern Associate, Coakley & Hyde, PLLC, 2010-2013.	N/A	N/A
Michael J. McKeen Born: 1971	Vice President	Since 2009	Senior Vice President, Atlantic since 2008.	N/A	N/A
Timothy Bowden Born: 1969	Vice President	Since 2009	Manager, Atlantic since 2008.	N/A	N/A
Geoffrey Ney Born: 1975	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A
Todd Proulx Born: 1978	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A

¹The Fund Complex includes the Trust, Forum Funds II, Forum ETF Trust and U.S. Global Investors Funds and is overseen by different Boards of Trustees.

²Atlantic is a subsidiary of Forum Holdings Corp. I, a Delaware corporation that is wholly owned by Mr. Keffer.

Auxier Focus Fund

FOR MORE INFORMATION

P.O. Box 588
Portland, Maine 04112
(877) 3AUXIER
(877) 328-9437

INVESTMENT ADVISER

Auxier Asset Management LLC
5285 Meadows Road
Suite 333
Lake Oswego, Oregon 97035

TRANSFER AGENT

Atlantic Fund Services
P.O. Box 588
Portland, Maine 04112
www.atlanticfundservices.com

DISTRIBUTOR

Foreside Fund Services, LLC
Three Canal Plaza, Suite 100
Portland, Maine 04101
www.foreside.com

This report is submitted for the general information of the shareholders of the Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Fund's risks, objectives, fees and expenses, experience of its management, and other information.