
Auxier Focus Fund

Semi-Annual Report

**December 31, 2016
(Unaudited)**

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AUXIER FOCUS FUND
A MESSAGE TO OUR SHAREHOLDERS
DECEMBER 31, 2016

Donald Trump’s November 8 election confounded most experts in Washington, D.C. and on Wall Street. Our stock and bond markets reacted decisively to Trump’s proposed pro-growth agenda focused on stimulating the economy and domestic jobs. High on his policy wish list are tax cuts, rollbacks in onerous regulations, renegotiation of trade deals and a large increase in infrastructure spending promoting construction jobs. Infrastructure investment has dropped to under 14% of GDP vs. 48% in China. To incentivize business spending, Team Trump is talking of a one year expensing option for depreciable property. There is a push to lower taxes on individuals, corporations and capital gains. To pay for tax cuts, a 20% border tax on imports has been discussed as well as reduction in the deductibility of business interest. These policies appear very positive for new business formation, particularly of smaller ones.

The prospect of such aggressive fiscal stimulus may well have ended our 35-year bull market in bonds. Inflation fears are driving up interest rates as we close in on full employment and shortages of skilled workers, especially in construction. Since the election, over \$1.8 trillion has been lost in government bonds, as prices of 10-year Treasuries slumped and yields spiked from 1.5% in August to over 2.5% after the election. Bonds face the double whammy of principal loss in a rising rate environment coupled with the loss of purchasing power. Ironically, bonds have been the most popular category of investment, attracting record flows into fixed income funds just as prices have hit historic highs. There is no way for investors to stay ahead of the rising cost of living with such low rates. Yet capital from abroad continues to pour in thanks to America’s reputation for a strong rule of law and private property rights. Over \$500 billion has exited China this past year, boosting that country’s purchases of foreign real estate by 50%, with the US the biggest destination. The domestic housing market has been firm with home prices up 5.6% in the 12 months ended November 2016. The strongest markets were Seattle, Washington, up 10.4% and Portland, Oregon, up 10.1%. Partly due to the shortage of skilled labor, new housing construction is running 15% under historic trend. The market in the Northwest is showing signs of froth as we are seeing crazy bidding wars and “flipping” activity.

ANNUALIZED

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	7.00%	5.87%	8.85%	4.32%	7.09%
S&P 500 Index	4.69%	6.95%	14.66%	8.87%	11.96%

CUMULATIVE

	Inception *	Ten Year	Five Year	Three Year	One Year
Auxier Focus Fund Investor Class Shares	226.30%	76.85%	52.84%	13.53%	7.09%
S&P 500 Index	122.92%	95.72%	98.18%	29.05%	11.96%

* Fund inception: July 9, 1999

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, 2017. 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.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.

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Portfolio Highlights

Auxier Focus Fund's Investor shares returned 2.14% for the fourth quarter vs. 3.82% for the S&P 500 index. For the year, Auxier Focus Fund returned 7.09% vs. 11.96% for S&P 500. The stock portion returned 8%. As of year-end 2016, a hypothetical \$10,000 investment in the Fund since inception has grown to \$32,634 vs. \$22,433 for the S&P 500. It's worth noting that the Fund was launched in 1999, the last leg of a long bull market in stocks whose aggregate value totaled over 145% of GDP, a historic peak. Our results were achieved with far less exposure to risks inherent in the market. And 100% of the fund manager's retirement skin is committed. The Fund has a wide, flexible investment mandate to maintain high compounding returns and protect capital during difficult markets. This past year, the Fund had approximately 78% in domestic stocks, 11% in foreign, with the balance in cash and "workouts" or market agnostic positions with a timetable. Results were hurt by multinationals and foreign holdings whose profits suffered not so much from poor fundamentals, but from an exceptionally strong dollar. This was especially painful in the UK, where export companies did well but the pound suffered a steep 16% loss against the US dollar. In contrast, banks and other financial intermediaries rallied in response to post-election prospects for Trump's pro-business agenda. Bank of New York was up over 19% for the quarter, Bank of America gained over 40%, and Central Pacific was up 25%. Reason: anticipation of a steeper yield curve improves net interest margins together with higher returns on cash balances. Health insurers UnitedHealth and Anthem rang up gains near 15%. The devastation from Hurricane Matthew boosted insurance premium pricing, helping Berkshire Hathaway and Travelers.

Top Holdings on 12/31/2016	% Assets
Bank of New York Mellon Corp	4.0
UnitedHealth Group Inc.	3.9
Pepsico Inc.	3.8
Philip Morris International	3.0
Microsoft Corp.	2.8
Kroger Co.	2.8
Johnson & Johnson	2.7
Medtronic PLC	2.7
Molson Coors Brewing Co	2.5
Merck & Co.Inc. New	2.5

Grocery store operator Kroger rebounded 16% as grocery prices now offer consumers tremendous bargains compared with other food choices. We have continued to see one of the steepest corrections in food prices since 1960. Chemical names like Celanese, Dow and Dupont were strong in sync with the Trump Bump and lower prices for natural gas feedstocks. The farm economy, however, is suffering one of the worst downturns since the 1980s. Mounting supply gluts are compounded by the dollar's appreciation, making US products more expensive on the global market. On the downside, defensive food and beverage stocks slumped, with Molson Coors down 11% and Unilever sliding 10%. Investors switched post-election from stocks that do well in deflationary, low-growth times to those that excel in a reflationary, pro-growth setting based on the assumption that all of Trump's initiatives will sail through without a challenge. We still see a deeply divided country where gridlock could slow the pace of change.

Uncertainty over the Affordable Care Act's future, together with President Trump's warning about high drug prices, led to declines for quality medical services companies like Becton Dickinson, Merck and Johnson & Johnson. Medical devices companies Zimmer and Medtronic were especially weak. Zimmer is the low-cost provider of hip and knee implants whose demand peaks at age 68—about the average age of baby boomers today. The stock dropped to 12 times earnings during the quarter, an enticing 35% discount to the market's multiple, plus an enormous free cash flow yield. Demographic trends still provide strong demand for healthcare goods and services. Companies that are innovative and provide value through research should prosper. Negative political headlines are leading to attractive long-term values among healthcare stocks, especially in biotech, medicine and neuroscience, as key technologies are information enabled. A good example is Cerner, which is a leader in digitizing medical records. And there's the prospect of a post-election FDA moving safe compounds much faster to the market in the next few years, spawning even more innovation and the potential for value enhancing spinoffs.

2016 will go down as a year that defied the experts. First was Great Britain voting to leave the European Union. Brexit was an event politicians and pollsters missed badly. This was followed by dour predictions of a deep recession. What actually happened? Britain finished the year with stronger growth than any country in the G-7. Then the so-called experts were stunned by Trump's victory, with some Wall Street pundits predicting 10% to 20% market declines. It reinforces the lesson I learned when analyzing Enron after it had purchased our local utility Portland General Electric in 1997. We analyzed the books and discovered enormous debts not listed on its balance sheet. About the same time, around February 2001, Fortune magazine had Enron on its cover touting "best practices in the utility industry." Wall Street had the same optimistic opinion. We checked with eight brokerages, and all had strong buys on the stock. We kept digging and decided the excessive borrowed money threatened Enron's solvency in a downturn. We sold the stock several times around \$80 and, within the next 18 months, it dropped to zero in bankruptcy. This despite the strong consensus of "experts" on the merits of the

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company and leadership. Having the humility to do the homework every day is crucial. Nailing down facts and fundamentals not only helps us avoid losses that interrupt the compounding process, but also stand firm when a solid business is temporarily out of investing fashion.

We have had an earnings recession for the past six quarters. Stock price gains for most companies have far exceeded the growth in underlying business value. Massive share buybacks and historic low interest rates have acted as a buffer. The digital transformation of business is spawning disruption in many industries. Shopping malls are getting crushed by consumers' switch to buying online, particularly on their cell phones. Advertisers are losing out to Facebook and Google as video use is exploding. Small corporate teams armed with data are making rapid advances against old-line and entrenched franchises. We continue to seek out businesses blessed with ethical management who can survive, thrive and endure through such challenges. Factoring in Trump's proposed tax cuts, we can see S&P 500 earnings for 2017 possibly improving by as much as 10%. A repatriation of nearly \$2.5 trillion sitting abroad would be a positive for the supply/demand for US stocks. Deregulation has historically been good for small businesses, which have been an important generator of new jobs. Easing regulations in the banking industry could unleash more lending and potentially greater "velocity of money," fueling higher inflation. The negative of higher inflation is the compression of price earnings multiples.

On a positive note, three billion new minds will join the global economy in the next six years estimates Peter Diamandis, co-founder of Silicon Valley think tank Singularity University. This could lead to a new population of consumers and a further explosion of innovation. Ten years ago, we had 500 million internet-connected devices. Today there are eight billion. By 2020 there will be 50 billion. With the pace of change accelerating exponentially, an active, voracious research effort has never been more important to maintain high compounded returns in today's markets.

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.

An investment in the Fund is subject to risk including the possible loss of principal amount invested. 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.

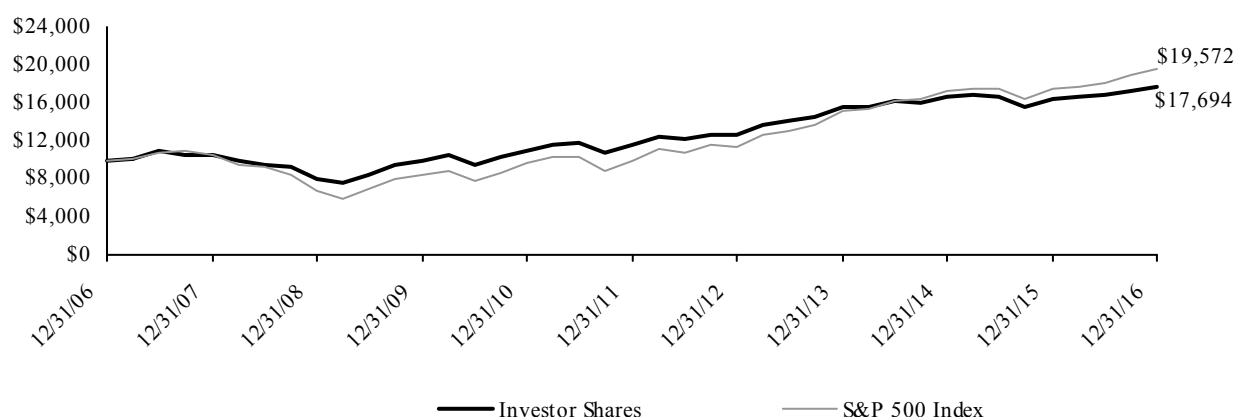
The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on 500 widely held common stocks. One cannot invest directly in an index or average.

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
DECEMBER 31, 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 December 31, 2016:**

	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Since Inception⁽¹⁾</u>
Investor Shares	7.14%	8.87%	5.87%	7.00%
S&P 500 Index (Since July 9, 1999)	11.96%	14.66%	6.95%	4.69%
A Shares (with sales charge) ⁽²⁾⁽³⁾	0.78%	7.53%	5.21%	6.63%
Institutional Shares ⁽³⁾	7.27%	9.07%	5.97%	7.06%

⁽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 1.10%, 1.41% and 1.11%, respectively. However, the Fund's adviser has agreed to contractually waive a portion of its fees and/or to reimburse Fund expenses to limit Total Annual Fund Operating Expenses after fee waiver and/or expense reimbursement (excluding all taxes, interest, portfolio transaction expenses, dividend expenses on short sales, and extraordinary expenses) to 0.98%, 1.25% and 0.80% for Investor Shares, A Shares and Institutional Shares, respectively through October 31, 2017. 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
DECEMBER 31, 2016

Shares	Security Description	Value	Shares	Security Description	Value
Common Stock - 92.3%			Financials - 19.3%		
Communications - 3.2%					
286,525	America Movil SAB de CV, ADR	\$ 3,601,619	44,370	Aflac, Inc.	\$ 3,088,152
23,159	Cisco Systems, Inc.	699,865	39,000	American International Group, Inc.	2,547,090
234,738	Telefonica SA, ADR	2,159,590	1,280	Ameriprise Financial, Inc.	142,003
125	The Walt Disney Co.	13,028	213,649	Bank of America Corp.	4,721,643
37,860	Twenty-First Century Fox, Inc., Class A	1,061,594	16,415	Berkshire Hathaway, Inc., Class B ^(a)	2,675,317
11,845	Viacom, Inc., Class B	415,759	69,374	Central Pacific Financial Corp.	2,179,731
		<u>7,951,455</u>	24,375	Citigroup, Inc.	1,448,606
			5,616	Colliers International Group, Inc.	206,388
Consumer Discretionary - 7.7%			132,268	Credit Suisse Group AG, ADR	1,892,755
39,421	Apollo Education Group, Inc., Class A ^(a)	390,268	5,616	FirstService Corp.	266,648
18,000	Arcos Dorados Holdings, Inc., Class A ^(a)	97,200	82,110	Franklin Resources, Inc.	3,249,914
119	Charter Communications, Inc., Class A ^(a)	34,262	32,900	Legg Mason, Inc.	984,039
37,860	Comcast Corp., Class A	2,614,233	6,525	Marsh & McLennan Cos., Inc.	441,025
15,975	CST Brands, Inc.	769,196	59,500	MasterCard, Inc., Class A	6,143,375
9,990	CVS Health Corp.	788,311	1,100	PayPal Holdings, Inc. ^(a)	43,417
113,377	Discovery Communications, Inc., Class A ^(a)	3,107,664	213,200	The Bank of New York Mellon Corp.	10,101,416
4,641	Discovery Communications, Inc., Class C ^(a)	124,286	36,418	The Travelers Cos., Inc.	4,458,291
16,250	General Motors Co.	566,150	7,350	U.S. Bancorp	377,569
67,162	H&R Block, Inc.	1,544,054	15,249	Unum Group	669,889
200,905	Lincoln Educational Services Corp. ^(a)	385,738	31,600	Visa, Inc., Class A	2,465,432
18,550	Lowe's Cos., Inc.	1,319,276	23,000	Waddell & Reed Financial, Inc., Class A	448,730
7,656	McDonald's Corp.	931,888	500	Wells Fargo & Co.	27,555
2,100	Michael Kors Holdings, Ltd. ^(a)	90,258			<u>48,578,985</u>
5,610	Red Robin Gourmet Burgers, Inc. ^(a)	316,404	Health Care - 22.7%		
3,250	Sally Beauty Holdings, Inc. ^(a)	85,865	42,600	Abbott Laboratories	1,636,266
1,176	The Andersons, Inc.	52,567	2,900	Alkermes PLC ^(a)	161,182
4,725	The Home Depot, Inc.	633,528	4,885	Allergan PLC ^(a)	1,025,899
12,650	Time Warner, Inc.	1,221,105	22,591	Anthem, Inc.	3,247,908
28,135	Vitamin Shoppe, Inc. ^(a)	668,206	17,200	Becton Dickinson and Co.	2,847,460
45,550	Wal-Mart Stores, Inc.	3,148,416	13,630	Biogen, Inc. ^(a)	3,865,195
7,050	Yum China Holdings, Inc. ^(a)	184,146	55,424	Express Scripts Holding Co. ^(a)	3,812,617
7,050	Yum! Brands, Inc.	446,477	1,155	Gilead Sciences, Inc.	82,710
		<u>19,519,498</u>	28,000	GlaxoSmithKline PLC, ADR	1,078,280
Consumer Staples - 23.2%			59,240	Johnson & Johnson	6,825,041
62,500	Altria Group, Inc.	4,226,250	1,100	Laboratory Corp. of America Holdings ^(a)	141,218
15,100	British American Tobacco PLC, ADR	1,701,317	95,003	Medtronic PLC	6,767,064
6,651	Cal-Maine Foods, Inc.	293,808	105,169	Merck & Co., Inc.	6,191,299
13,200	Coca-Cola HBC AG, ADR ^(a)	287,892	13,582	Pfizer, Inc.	441,143
46,135	Conagra Brands, Inc.	1,824,639	36,097	Quest Diagnostics, Inc.	3,317,314
8,785	Diageo PLC, ADR	913,113	1,303	Shire PLC, ADR	222,005
30,050	Dr. Pepper Snapple Group, Inc.	2,724,633	10,280	St. Jude Medical, Inc.	824,353
20,100	Kelly Services, Inc., Class A	460,692	60,674	UnitedHealth Group, Inc.	9,710,267
15,378	Lamb Weston Holdings, Inc., Class A ^(a)	582,057	47,400	Zimmer Biomet Holdings, Inc.	4,891,680
65,077	Molson Coors Brewing Co., Class B	6,332,643			<u>57,088,901</u>
36,300	Monster Beverage Corp. ^(a)	1,609,542	Industrials - 3.8%		
90,660	PepsiCo, Inc.	9,485,756	750	AGCO Corp.	43,395
82,520	Philip Morris International, Inc.	7,549,755	231,341	Corning, Inc.	5,614,646
409,921	Tesco PLC, ADR ^(a)	3,111,300	85,963	Manitex International, Inc. ^(a)	589,706
64,300	The Coca-Cola Co.	2,665,878	12,500	Raytheon Co.	1,775,000
2,845	The J.M. Smucker Co.	364,331	8,575	Textainer Group Holdings, Ltd.	63,884
203,368	The Kroger Co.	7,018,230	2,550	The Boeing Co.	396,984
25,525	The Procter & Gamble Co.	2,146,142	8,515	United Parcel Service, Inc., Class B	976,160
82,720	The Western Union Co.	1,796,678			<u>9,459,775</u>
81,550	Unilever NV, ADR	3,348,443	Information Technology - 4.7%		
		<u>58,443,099</u>	9,450	Cerner Corp. ^(a)	447,647
Energy - 3.7%			14,675	Cognizant Technology Solutions Corp., Class A ^(a)	822,240
144,810	BP PLC, ADR	5,412,998	10,275	Intel Corp.	372,674
10,130	Chevron Corp.	1,192,301	115,147	Microsoft Corp.	7,155,235
15,600	ConocoPhillips	782,184	82,320	Oracle Corp.	3,165,204
7,800	Phillips 66	673,998			<u>11,963,000</u>
19,100	Valero Energy Corp.	1,304,912			
		<u>9,366,393</u>			

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SCHEDULE OF INVESTMENTS
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Shares	Security Description	Value
Materials - 3.7%		
14,225	Celanese Corp., Class A	\$ 1,120,076
30,715	E.I. du Pont de Nemours & Co.	2,254,481
25,955	LyondellBasell Industries NV, Class A	2,226,420
47,350	The Dow Chemical Co.	2,709,367
32,055	The Mosaic Co.	940,173
		<u>9,250,517</u>

Telecommunications - 0.2%		
7,335	Verizon Communications, Inc.	391,542

Transportation - 0.1%		
3,160	Union Pacific Corp.	327,629

Total Common Stock (Cost \$146,830,140)		
		<u>232,340,794</u>

Principal	Security Description	Rate	Maturity	Value
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Fixed Income Securities - 0.3%

Corporate Non-Convertible Bonds - 0.3%

Energy - 0.0%				
\$ 18,000	Devon Energy Corp.	2.25%	12/15/18	\$ 18,018

Financials - 0.3%

290,000	Bank of America Corp., Series K (callable at 100 beginning 05/15/18) ^{(b)(c)}	8.00	12/29/49	298,337
500,000	Bank of America Corp., Series M (callable at 100 beginning 01/30/18) ^{(b)(c)}	8.13	11/15/49	520,000
				<u>818,337</u>

Total Corporate Non-Convertible Bonds (Cost \$801,805)				
				<u>836,355</u>

Total Investments - 92.6% (Cost \$147,631,945)*				
				\$ 233,177,149

Other Assets & Liabilities, Net - 7.4%				
Net Assets - 100.0%				
				<u>\$ 251,845,072</u>

- ADR American Depositary Receipt
 PLC Public Limited Company
 (a) Non-income producing security.
 (b) Variable rate security. Rate presented is as of December 31, 2016.
 (c) Perpetual maturity security.

* Cost for federal income tax purposes is substantially the same as for financial statement purposes and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$ 97,678,885
Gross Unrealized Depreciation	(12,133,681)
Net Unrealized Appreciation	<u>\$ 85,545,204</u>

The following is a summary of the inputs used to value the Fund's investments as of December 31, 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
Assets				
Investments At Value				
Common Stock				
Communications	\$ 7,951,455	\$ -	\$ -	\$ 7,951,455
Consumer Discretionary	19,519,498	-	-	19,519,498
Consumer Staples	58,443,099	-	-	58,443,099
Energy	9,366,393	-	-	9,366,393
Financials	48,578,985	-	-	48,578,985
Health Care	57,088,901	-	-	57,088,901
Industrials	9,459,775	-	-	9,459,775
Information Technology	11,963,000	-	-	11,963,000
Materials	9,250,517	-	-	9,250,517
Telecommunications	391,542	-	-	391,542
Transportation	327,629	-	-	327,629
Corporate Non-Convertible Bonds	-	836,355	-	836,355
Total Investments At Value	<u>\$232,340,794</u>	<u>\$836,355</u>	<u>\$ -</u>	<u>\$233,177,149</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 period ended December 31, 2016.

PORTFOLIO HOLDINGS

% of Net Assets	
Common Stock	92.3%
Corporate Non-Convertible Bonds	0.3%
Cash and Other Net Assets	7.4%
	<u>100.0%</u>

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2016

ASSETS

Total investments, at value (Cost \$147,631,945)	\$ 233,177,149
Cash	18,705,309
Receivables:	
Fund shares sold	61,952
Investment securities sold	129,407
Dividends and interest	455,774
Prepaid expenses	21,148
Total Assets	<u>252,550,739</u>

LIABILITIES

Payables:	
Investment securities purchased	71,808
Fund shares redeemed	311,902
Distributions payable	122,313
Accrued Liabilities:	
Investment adviser fees	144,925
Trustees' fees and expenses	322
Fund services fees	29,455
Other expenses	24,942
Total Liabilities	<u>705,667</u>

NET ASSETS

\$ 251,845,072

COMPONENTS OF NET ASSETS

Paid-in capital	\$ 165,719,301
Distributions in excess of net investment income	(21,741)
Accumulated net realized gain	602,308
Net unrealized appreciation	85,545,204
NET ASSETS	<u>\$ 251,845,072</u>

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

Investor Shares	9,900,231
A Shares	129,101
Institutional Shares	2,513,965

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE*

Investor Shares (based on net assets of \$198,161,447)	<u>\$ 20.02</u>
A Shares (based on net assets of \$2,620,785)	<u>\$ 20.30</u>
A Shares Maximum Public Offering Price Per Share (net asset value per share/(100%-5.75%))	<u>\$ 21.54</u>
Institutional Shares (based on net assets of \$51,062,840)	<u>\$ 20.31</u>

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

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED DECEMBER 31, 2016

INVESTMENT INCOME

Dividend income (Net of foreign withholding taxes of \$30,902)	\$ 2,676,999
Interest income	<u>47,132</u>
Total Investment Income	<u>2,724,131</u>

EXPENSES

Investment adviser fees	1,175,516
Fund services fees	165,392
Transfer agent fees:	
Investor Shares	33,917
A Shares	608
Institutional Shares	740
Distribution fees:	
A Shares	3,245
Custodian fees	13,341
Registration fees:	
Investor Shares	8,536
A Shares	2,189
Institutional Shares	7,643
Professional fees	24,646
Trustees' fees and expenses	9,315
Miscellaneous expenses	<u>106,046</u>
Total Expenses	1,551,134
Fees waived and expenses reimbursed	<u>(217,839)</u>
Net Expenses	<u>1,333,295</u>

NET INVESTMENT INCOME	<u>1,390,836</u>
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NET REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain on investments	1,324,563
Net change in unrealized appreciation (depreciation) on investments	<u>8,193,473</u>

NET REALIZED AND UNREALIZED GAIN	<u>9,518,036</u>
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INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 10,908,872</u>
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AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	<u>For the Six Months Ended December 31, 2016</u>		<u>For the Year Ended June 30, 2016</u>	
		<u>Shares</u>		<u>Shares</u>
OPERATIONS				
Net investment income	\$ 1,390,836		\$ 2,831,673	
Net realized gain	1,324,563		9,730,243	
Net change in unrealized appreciation (depreciation)	<u>8,193,473</u>		<u>(8,819,697)</u>	
Increase in Net Assets Resulting from Operations		<u>10,908,872</u>		<u>3,742,219</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income:				
Investor Shares	(2,228,585)		(2,248,905)	
A Shares	(18,288)		(22,824)	
Institutional Shares	(573,352)		(385,094)	
Net realized gain:				
Investor Shares	(3,141,650)		(9,632,084)	
A Shares	(41,172)		(170,302)	
Institutional Shares	<u>(803,916)</u>		<u>(1,612,577)</u>	
Total Distributions to Shareholders		<u>(6,806,963)</u>		<u>(14,071,786)</u>
CAPITAL SHARE TRANSACTIONS				
Sale of shares:				
Investor Shares	8,428,959	418,901	20,810,841	1,061,055
A Shares	47	3	11,861	568
Institutional Shares	7,080,636	346,790	13,491,947	684,197
Reinvestment of distributions:				
Investor Shares	5,165,360	255,391	11,337,657	585,561
A Shares	59,012	2,879	172,938	8,861
Institutional Shares	1,306,095	63,637	1,964,718	100,186
Redemption of shares:				
Investor Shares	(22,700,473)	(1,129,714)	(50,933,072)	(2,604,822)
A Shares	(188,262)	(9,362)	(2,827,075)	(142,309)
Institutional Shares	(1,001,929)	(48,972)	(941,455)	(47,755)
Redemption fees	<u>5,833</u>	<u>-</u>	<u>11,282</u>	<u>-</u>
Decrease in Net Assets from Capital Share Transactions	<u>(1,844,722)</u>	<u>(100,447)</u>	<u>(6,900,358)</u>	<u>(354,458)</u>
Increase (Decrease) in Net Assets	<u>2,257,187</u>		<u>(17,229,925)</u>	
NET ASSETS				
Beginning of Period	<u>249,587,885</u>		<u>266,817,810</u>	
End of Period (Including line (a))	<u>\$ 251,845,072</u>		<u>\$ 249,587,885</u>	
(a) Undistributed (distributions in excess of) net investment income	<u>\$ (21,741)</u>		<u>\$ 1,407,648</u>	

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

INVESTOR SHARES	For the Six Months Ended	For the Year Ended June 30,				
	December 31, 2016	2016	2015	2014	2013	2012
NET ASSET VALUE, Beginning of Period	\$ 19.69	\$ 20.50	\$ 20.75	\$ 18.59	\$ 16.49	\$ 16.45
INVESTMENT OPERATIONS						
Net investment income (a)	0.11	0.21	0.17	0.20	0.21	0.22
Net realized and unrealized gain	0.78	0.08	0.38	2.63	2.23	0.20(b)
Total from Investment Operations	0.89	0.29	0.55	2.83	2.44	0.42
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	(0.23)	(0.20)	(0.20)	(0.22)	(0.22)	(0.16)
Net realized gain	(0.33)	(0.90)	(0.60)	(0.45)	(0.12)	(0.23)
Total Distributions to Shareholders	(0.56)	(1.10)	(0.80)	(0.67)	(0.34)	(0.39)
REDEMPTION FEES (a)	—(c)	—(c)	—(c)	—(c)	—(c)	0.01
NET ASSET VALUE, End of Period	\$ 20.02	\$ 19.69	\$ 20.50	\$ 20.75	\$ 18.59	\$ 16.49
TOTAL RETURN	4.48%(d)	1.58%	2.69%	15.43%	15.06%	2.84%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of Period (000's omitted)	\$198,161	\$203,921	\$231,911	\$285,094	\$277,536	\$243,366
Ratios to Average Net Assets:						
Net investment income	1.07%(e)	1.10%	0.83%	1.00%	1.22%	1.36%
Net expenses	1.08%(e)	1.14%	1.24%	1.24%	1.25%	1.25%
Gross expenses (f)	1.22%(e)	1.30%	1.27%	1.26%	1.28%	1.27%
PORTFOLIO TURNOVER RATE	3%(d)	6%	4%	9%	11%	8%

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

(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) Not annualized.

(e) Annualized.

(f) 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.

A SHARES	For the Six Months Ended	For the Year Ended June 30,				
	December 31, 2016	2016	2015	2014	2013	2012
NET ASSET VALUE, Beginning of Period	\$ 19.90	\$ 20.64	\$ 20.85	\$ 18.63	\$ 16.49	\$ 16.45
INVESTMENT OPERATIONS						
Net investment income (a)	0.09	0.19	0.18	0.20	0.21	0.22
Net realized and unrealized gain	0.78	0.09	0.36	2.64	2.24	0.21(b)
Total from Investment Operations	0.87	0.28	0.54	2.84	2.45	0.43
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	(0.14)	(0.12)	(0.15)	(0.17)	(0.19)	(0.16)
Net realized gain	(0.33)	(0.90)	(0.60)	(0.45)	(0.12)	(0.23)
Total Distributions to Shareholders	(0.47)	(1.02)	(0.75)	(0.62)	(0.31)	(0.39)
REDEMPTION FEES (a)	—(c)	—(c)	—(c)	—(c)	—(c)	—(c)
NET ASSET VALUE, End of Period	\$ 20.30	\$ 19.90	\$ 20.64	\$ 20.85	\$ 18.63	\$ 16.49
TOTAL RETURN (d)	4.35%(e)	1.49%	2.63%	15.45%	15.06%	2.84%
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of Period (000's omitted)	\$2,621	\$2,698	\$5,541	\$5,108	\$2,158	\$1,694
Ratios to Average Net Assets:						
Net investment income	0.91%(f)	0.94%	0.84%	1.02%	1.22%	1.39%
Net expenses	1.25%(f)	1.25%	1.25%	1.25%	1.25%	1.25%
Gross expenses (g)	1.63%(f)	1.61%	1.56%	1.62%	1.62%	1.52%
PORTFOLIO TURNOVER RATE	3%(e)	6%	4%	9%	11%	8%

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

(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) Not annualized.

(f) Annualized.

(g) 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.

INSTITUTIONAL SHARES	For the Six Months Ended	For the Year Ended June 30,				May 9, 2012 (a) through
	December 31, 2016	2016	2015	2014	2013	June 30, 2012
NET ASSET VALUE, Beginning of Period	\$ 19.96	\$ 20.74	\$ 20.91	\$ 18.66	\$ 16.50	\$ 16.27
INVESTMENT OPERATIONS						
Net investment income (b)	0.13	0.25	0.24	0.25	0.26	0.04
Net realized and unrealized gain	0.78	0.08	0.36	2.64	2.22	0.19
Total from Investment Operations	0.91	0.33	0.60	2.89	2.48	0.23
DISTRIBUTIONS TO SHAREHOLDERS FROM						
Net investment income	(0.23)	(0.21)	(0.17)	(0.19)	(0.20)	—
Net realized gain	(0.33)	(0.90)	(0.60)	(0.45)	(0.12)	—
Total Distributions to Shareholders	(0.56)	(1.11)	(0.77)	(0.64)	(0.32)	—
REDEMPTION FEES (b)	—(c)	—(c)	—(c)	—(c)	—(c)	—(c)
NET ASSET VALUE, End of Period	\$ 20.31	\$ 19.96	\$ 20.74	\$ 20.91	\$ 18.66	\$ 16.50
TOTAL RETURN	4.53%(d)	1.74%	2.93%	15.73%	15.28%	1.41%(d)
RATIOS/SUPPLEMENTARY DATA						
Net Assets at End of						
Period (000's omitted)	\$51,063	\$42,969	\$29,366	\$8,001	\$5,313	\$1,230
Ratios to Average Net Assets:						
Net investment income	1.25%(e)	1.27%	1.13%	1.25%	1.48%	1.62%(e)
Net expenses	0.93%(e)	1.00%	1.00%	1.00%	1.00%	1.10%(e)
Gross expenses (f)	1.23%(e)	1.31%	1.36%	1.47%	1.55%	1.50%(e)
PORTFOLIO TURNOVER RATE	3%(d)	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

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, “Financial Services-Investment Companies”. 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 period. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

Security Valuation – Securities are valued at market prices using the last quoted trade or official closing price from the principal exchange where the security is traded, as provided by independent pricing services on each Fund business day. In the absence of a last trade, securities are valued at the mean of the last bid and ask price provided by the pricing service. 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 non-exchange-traded 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 Fund 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, as defined in Note 4, 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 December 31, 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 – The Fund declares any dividends from net investment income and pays them annually. Any net capital gains realized by the Fund are distributed 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 December 31, 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 December 31, 2016, the Fund held \$18,455,309 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, payable monthly, from the Fund at an annual rate of 0.80% of the Fund’s average daily net 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 period ended December 31, 2016, there were no 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.

Other Service Providers – Atlantic provides fund accounting, fund administration, compliance and transfer agency services to the Fund. The fees related to these services are included in Fund services fees within the Statement of Operations. 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, 2017, 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 0.98%, 1.25% and 0.80% 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 period ended December 31, 2016, fees waived and expenses reimbursed were as follows:

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

<u>Investment Adviser Fees Waived</u>	<u>Investment Adviser Expenses Reimbursed</u>	<u>Other Waivers</u>	<u>Total Fees Waived</u>
\$ 141,191	\$ 43,795	\$ 32,853	\$ 217,839

Note 6. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the period ended December 31, 2016, were \$6,846,287 and \$7,875,556, respectively.

Note 7. Federal Income Tax

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. Recent Accounting Pronouncements

In October 2016, the U.S. Securities and Exchange Commission (“SEC”) issued a new rule, Investment Company Reporting Modernization, which, among other provisions, amends Regulation S-X to require standardized, enhanced disclosures, particularly related to derivatives, in investment company financial statements. Compliance with the amendments to Regulation S-X is required for financial statements filed with the SEC on or after August 1, 2017. Management is currently evaluating the impact that the amendments will have on the Fund's financial statements and related disclosures.

Note 9. 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.

Investment Advisory Agreement Approval

At the December 9, 2016 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement between the Adviser and the Trust pertaining to the Fund (the “Advisory Agreement”). In preparation for its deliberations, the Board requested and reviewed written responses from the Adviser to a due diligence questionnaire circulated on the Board's behalf concerning the Adviser's personnel, operations, financial condition, performance, and services provided by the Adviser. The Board also discussed the materials with Fund counsel and, as necessary, with the Trust's administrator, Atlantic Fund Services. During its deliberations, the Board received an oral presentation from the Adviser, and was assisted by the advice of Trustee counsel.

At the meeting, the Board reviewed, among other matters: (1) the nature, extent and quality of the services provided to the Fund by the Adviser, including information on the investment performance of the Fund and Adviser; (2) the costs of the services provided and profitability to the Adviser of its relationship with the Fund; (3) the advisory fee and total expense ratio of the Fund compared to a relevant peer group of funds; (4) the extent to which economies of scale may be realized as the Fund grows and whether the advisory fee enables the Fund's investors to share in the benefits of economies of scale; and (5) other benefits received by the Adviser from its relationship with the Fund.

Nature, Extent and Quality of Services

Based on written materials received, a presentation from a senior representative of the Adviser, a discussion with the Adviser about the Adviser's personnel, operations and financial condition, and a discussion with the Trust's Chief Compliance Officer about the Adviser, the Board considered the quality of services provided by the Adviser under the Advisory Agreement. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio manager at the Adviser with principal responsibility for the Fund, as well as the investment philosophy and decision-making process of the portfolio manager and the capability and integrity of the Adviser's senior management and staff.

The Board considered also the adequacy of the Adviser's resources. The Board noted the Adviser's representations that the firm is in stable financial condition, that the firm is able to meet expense reimbursement obligations, and that the firm has the operational capability and the necessary staffing and experience to continue providing high-quality investment advisory services to the Fund. Based on the presentation and the materials provided by the Adviser in connection with the Board's consideration of the renewal of the Advisory Agreement, the Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Fund under the Advisory Agreement.

Performance

In connection with a presentation by the Adviser regarding its approach to managing the Fund, the Board reviewed the performance of the Fund compared to its benchmark. The Board observed that the Fund underperformed the S&P 500 Index, the Fund's primary benchmark index, for the one-, three-, five- and 10-year periods ended September 30, 2016, but had outperformed the benchmark since the Fund's inception on July 9, 1999. The Board also considered the Fund's performance relative to an independent peer group of funds identified by Broadridge Financial Solutions, Inc. (“Broadridge”) believed to have characteristics similar to those of the Fund. The Board observed that the Fund underperformed the median of its Broadridge peer group for the one- and three-year periods ended September 30, 2016. The Board noted the Adviser's representation that the Fund's conservative investment approach is countercyclical, designed to outperform the index in declining markets and lag or achieve parity with the index in rising markets. The Board also noted the Adviser's representation that the Fund seeks capital appreciation over the long-term and that the Fund had outperformed its benchmark since its inception on both a cumulative and average annual basis. Based on the Adviser's investment style and the foregoing performance information, the Board determined that the Fund and its shareholders could expect to benefit from the Adviser's management under the Advisory Agreement.

Compensation

The Board evaluated the Adviser's compensation for providing advisory services to the Fund and analyzed comparative information on actual advisory fee rates and actual total expenses of the relevant Broadridge peer group of the Fund. The Board noted that the Adviser's actual advisory fee rate and actual total expenses were each higher than the median of its Broadridge peer group. The Board also considered that it had recently approved a reduction in the advisory fee charged to the

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Fund, as well as a reduction in the expense cap for certain share classes of the Fund, as proposed by the Adviser. Based on the foregoing, the Board concluded that the Adviser's advisory fee rate charged to the Fund was reasonable.

Cost of Services and Profitability

The Board considered information provided by the Adviser regarding the costs of services and its profitability with respect to the Fund. In this regard, the Board considered the Adviser's resources devoted to the Fund, as well as the Adviser's discussion of the costs and profitability of its Fund activities. The Board noted the Adviser's representation that the profit margin was reasonable in light of the services provided to the Fund and its shareholders and in consideration of the importance of the Adviser's long-term financial stability. The Board also noted the Adviser's representation that it continued to subsidize the Fund to ensure that the expenses of the Fund remained at a competitive level. Based on these and other applicable considerations, the Board concluded that the Adviser's profits attributable to management of the Fund were reasonable in the context of all factors considered.

Economies of Scale

The Board considered whether the Fund would benefit from any economies of scale. In this respect, the Board noted the Adviser's representation that the Fund could benefit from economies of scale at higher asset levels, but that the Adviser had not identified economies of scale at current asset levels that would warrant proposing breakpoints in fees at this time. Based on the foregoing information, the Board concluded that economies of scale were not a material factor in approving the continuation of the Advisory Agreement.

Other Benefits

The Board noted the Adviser's representation that, aside from its contractual advisory fees, it does not benefit in a material way from its relationship with the Fund. Based on the foregoing representation, the Board concluded that other benefits received by the Adviser from its relationship with the Fund were not a material factor in approving the continuation of the Advisory Agreement.

Conclusion

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed a memorandum from Fund counsel discussing the legal standards applicable to its consideration of the Advisory Agreement. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its reasonable business judgment, that the advisory arrangement, as outlined in the Advisory Agreement, was fair and reasonable in light of the services performed or to be performed, expenses incurred or to be incurred and such other matters as the Board considered relevant.

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 SEC's 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

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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 July 1, 2016, through December 31, 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.

	<u>Beginning Account Value July 1, 2016</u>	<u>Ending Account Value December 31, 2016</u>	<u>Expenses Paid During Period*</u>	<u>Annualized Expense Ratio*</u>
Investor Shares				
Actual	\$ 1,000.00	\$ 1,044.80	\$ 5.57	1.08%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,019.76	\$ 5.50	1.08%
A Shares				
Actual	\$ 1,000.00	\$ 1,043.54	\$ 6.44	1.25%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,018.90	\$ 6.36	1.25%
Institutional Shares				
Actual	\$ 1,000.00	\$ 1,045.29	\$ 4.79	0.93%
Hypothetical (5% return before expenses)	\$ 1,000.00	\$ 1,020.52	\$ 4.74	0.93%

* 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 (184) divided by 365 to reflect the half-year period.

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Auxier Focus Fund

FOR MORE INFORMATION

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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.