AUXIER FOCUS FUND UPDATE
BY JEFF AUXIER

Dear Fellow Shareholders:

It should be noted that your manager's conservatism during the recent turbulent market conditions somewhat inhibited the Fund's performance. Our conservatism was manifested in our decision to increase the cash component of the Fund's portfolio. The Fund's average cash balance was in excess of 30% this past year. However, as you will note in the "Management's Discussion of Fund Performance" section that follows, I am pleased to report that the Auxier Focus Fund outperformed its S&P 500 Index benchmark for the 12 month period ending June 30, 2001. Additionally, I continue to add personal money and remain the Fund's largest shareholder.

Thank you for your confidence and support!

Sincerely,

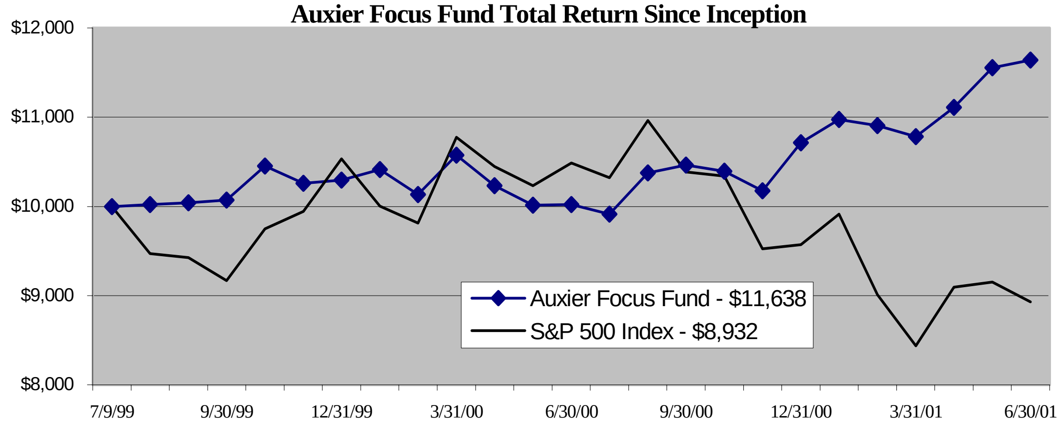
J. Jeffrey Auxier
Portfolio Manager

Management's Discussion of Fund Performance

The table below summarizes the performance for the quarter, six months, and year ended June 30, 2001.

	3 Months Actual Return	6 Months Actual Return	12 Months Actual Return	Average Annual Total Retun Since Inception (July 9, 1999)
Auxier Focus Fund	7.93%	8.65%	16.11%	7.97%
Standard & Poor's 500 Stock Index	5.85%	-6.70%	-14.83%	-5.55%

Auxier Focus Fund Total Return Since Inception



This graph, prepared in accordance with SEC regulations, shows the value of a hypothetical initial investment of $10,000 in the Fund and the S&P 500 Index on July 9, 1999 (inception of the Fund) and held through June 30, 2001. The S&P 500 Index is a widely recognized unmanaged index of common stock prices and is representative of a broader market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in the index. Performance figures reflect the change in value of the stocks in the index, and reinvestment of dividends. The index returns do not reflect expenses, which have been deducted from the Fund's return. The performance of the Fund is computed on a total return basis, which includes reinvestment of all dividends. THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT PREDICT FUTURE RESULTS. Investment returns and the principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

For a prospectus and more information, including charges and expenses, call toll free 1-877-328-9437. The prospectus should be read carefully before investing. Past performance does not guarantee future results.

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STOCK SELECTION

The largest position in the Fund, Nova Corp. (a major credit card processor) was acquired by US Bank mid-year. We took a stake at an average price of $18.13 and were rewarded with a $31 cash buyout. I really like the economics of processor companies. They are predictable, high return businesses. Nova was purchased at a steep discount to what I determined was its "private market value".

Top Ten Holdings of Net Asset Value as of 6/30/2001

Nova Corp.	4.71%
Waste Management, Inc.	2.57%
Boston Scientific Corp.	2.52%
Computer Sciences Corp.	2.20%
Learning Tree International, Inc.	2.14%
Viad Corp.	2.05%
Guidant Corp.	2.03%
Fleetboston Financial Corp.	1.89%
General Motors Corp.	1.88%
D.R. Horton, Inc.	1.83%
Total	23.82%

The following examples are given as an illustration of ideal stock-picking situations. The stock price is down due to a temporary misperception; the underlying fundamental economics are improving and the market has not caught on. Then, when the improvement is recognized, there is a dramatic upward revaluation in the stock price. I believe the risk is low in the transaction because the price paid is low versus the underlying value (margin of safety). The upside is attractive because of the degree of under valuation, the temporary nature of the decline, and the improving earnings picture.

- H&R Block was purchased at ten times cash earnings. The fundamentals of the tax business were being overshadowed by poor capital allocation decisions of the management. The stock has consistently traded for over twenty times earnings in the past and appreciated from 35 to 64 (as of 6/30).

- D.R. Horton has achieved 94 consecutive quarters of earnings gains. Despite this record, the stock was trading at a price earnings ratio of seven times compared to the S&P 500 Index trading at 23 times earnings. The stock was purchased at 21, less than seven times 2001 earnings, and recently traded at 28.

- Freddie Mac has had over ten consecutive years of double digit growth, yet the stock sold down to 13 times earnings. Purchased at 45, it appreciated to 68 (as of 6/30).

- ITT Educational Services has had seven consecutive years of over 15% growth. The fundamentals for educational services are very strong demographically. The stock traded down to 14 times earnings. Purchased at 19.27, its market value was 45 on 6/30.

These examples highlight the opportunities that exist in the marketplace today. The major indexes, in my view, are unattractive. The S&P 500 Index trades at 23 times earnings with negative earnings growth and questionable accounting for many companies. Conversely, companies in industries driven by favorable demographics, clean accounting and improving economics can reward the research-focused stock picker. I believe individual security selection will be the key to above-average returns going forward.

ECONOMIC OVERVIEW

The Federal Reserve continues to ease credit aggressively, having lowered rates another 1.25% over the past few months. This follows a dramatic over investment in the technology and telecom industries. The manufacturing sector is currently experiencing, as GE's Jack Welch called it, "the worst recession in twenty years." Housing continues to be a bright spot, with prices firm, immigration strong and mortgage refinancing vibrant. The companies in the S&P 500 Index continue their earnings recession, with earnings expected to be down by 17% in the second quarter.

GOOD NEWS

Energy prices are coming down. I wrote earlier in the year that in this world economy, if there is a surge in pricing, a flood of capital soon follows. We have seen record capital spending follow the rise in energy prices. Natural gas prices have traded from $4 per MCF (thousand cubic feet) to $10 and back to $3. Drilling for natural gas in the first quarter of 2001 was at the highest level since the 1982 energy peak. Source: New York Times

Money market balances stand at over $2 trillion. Money fund assets today make up 18% of the Wilshire 5000 Index, up from 12% last year. This is the highest ratio in a decade. Source: CS First Boston

Fannie Mae estimates $690 billion of ***mortgages will be refinanced*** this year, up from $225 billion last year. A potential $60 billion of equity can be taken out this year with possibly $40 billion going back into the economy.

Tax rate reductions (rebates) amounting to $300 per person / $600 per couple this year

IPO activity is at the lowest level since 1982 **–** ***speculation is being purged.***

LOOKING FORWARD

It is wise to look at past industry investment boom-bust cycles: Oil in 1982, PC's in 1983, and Commercial Real Estate in 1989. The economy has been very resilient and there are usually opportunities of fundamental strength even amidst the prevailing gloom.

What investors often overlook is that an accommodative Federal Reserve can lead to upward valuations in companies that are achieving higher profits and sales. The key is to identify those exceptional businesses that sell at compelling price levels. In this slow, muddling economic environment, a steady growth rate can look very attractive.

In closing, Morningstar recently ranked the Auxier Focus Fund number 15 out of 1020 Large Blend Funds from August 17, 2000 to August 16, 2001. However, we caution against judging us on such a short-term horizon.