
Auxier Focus Fund

Annual Report

June 30, 2008

Fund Advisor:

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Market Commentary

The Auxier Focus Fund Investor Shares finished the fiscal year ended June 30, 2008 with a -12.56% return versus -13.12% return for the S&P 500 (“S&P”). The Fund averaged a 77% exposure to stocks throughout the year. The Fund’s cumulative performance since inception (July 9, 1999) through June 30, 2008 was 75.20% versus a 5.84% return for the S&P. For a longer term perspective, the Fund’s 5-year and since inception (7/9/99) average annual returns were 7.31% and 6.45% vs. 7.58% and 0.63% for the S&P, respectively. *(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 annual operating expense ratio (gross) is 1.36%. However, the Fund’s adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expenses do not exceed 1.35% which contract is in effect until October 31, 2008. For the most recent month-end performance, please visit the Fund’s website at www.auxierasset.com. The Fund charges a 2.00% redemption fee on shares redeemed within six months of purchase.)*

June was a difficult month for equities on a global basis. The Dow Jones Industrial Average dropped 10%; US financial stocks retreated 18.37%; China lost over 18%; and India plunged 19.49%. The MSCI (Morgan Stanley Capital International) World Index was off 13% for the first six months, the worst showing in 38 years.

Many investors have migrated to the perceived safety of government bonds. However, inflation materially exceeds the interest return, and government policies may make the catch phrase “safe government bonds” an oxymoron. The bailout policies of the US government have some actually questioning its AAA bond credit rating. Negative real returns (nominal interest rate less inflation = real return) have contributed to a further weakening of the US dollar and recent import inflation over 15%. Commodities do well when prevailing interest rates are less than the underlying inflation rate, and these price increases are filtering through the pipeline. Companies have started to raise prices aggressively to offset rising inputs. Dow Chemical Company, Sara Lee Corp. and Blue Cross are a few companies seeking price increases in excess of 20%. Northwest Natural Gas is seeking a 40% rate increase from utility ratepayers. We believe the more the US government “bails out” problems, the greater the threat of inflation.

Persistently high food and energy prices, with oil having topped \$140 a barrel, have been major contributors to a deteriorating inflation outlook. This, combined with a much tighter credit environment, has put pressure on America’s consumer balance sheets. The consumer recession is here, we fear.

Why Not Put It All In Energy

With energy-related investments performing well, the temptation is to believe such results are long-lived. However, caution is in order. Oil has always been cyclical. According to *Barrons* (July 2008 “*Capitulation? Not Yet, but It’s Coming*”), there have been 26 corrections of more than 20% in the price of oil since 1986. According to Bloomberg, (June 2008) oil prices are now up over 600% since \$19 a barrel in November 2001. Demand over the period is up less than 10%. Oil has reached a new high 28 times in 2008 alone. It is possible to buy derivative contracts in energy with only 5% down. By comparison, the tech-weighted Nasdaq Composite Index appreciated 640% between 1994 and 2000. In 1999, a number of tech-focused mutual funds were up over 100%. The Nasdaq Composite Index subsequently declined 78%. More recently, the Chinese Shanghai Stock Exchange Composite Index was on a similar ascent until last summer and has now dropped over 55% from the highs in October. Often parabolic moves in an investment class can mark the top of a mania. Just as excitement attracts floods of new capital and entrants, high prices tend to alter behavior and subdue demand. Over the past seven months, Americans have reduced their driving by 40 billion miles (US Department of Transportation). One could argue that a 600% price move over six years more than discounts the perceived oil shortage. Still, markets are unpredictable and sometimes irrational. A further spike up is always possible.

Rely On Rating Agencies To Your Peril

Some of the highest yielding (and rated) investments over the past twelve months ironically have been hit the hardest in the market. For example, the \$400 billion preferred stock market is down over 16% for the first half of 2008 (*Barrons*, July 2008 "What to Bank On"). Issues yielding 7% to 15% are trading at junk levels, yet the ratings agencies still maintain A or better ratings. Enron had an investment grade rating even after the stock dropped from a price of \$80 to \$3. The lesson: there are no shortcuts to investing. We believe relying on formulas or rating agencies instead of hard headed investment analysis is dangerous. Stretching for yield without looking at the underlying earning power of the company can also lead to pain.

A Route In Financials

Financial stocks as a group are down 28% through the first half of the year, and more than 40% over the past twelve months. Many bank stocks have recently surpassed the declines we witnessed during the last thrift crisis, with bank indexes selling close to 70% of book value. In the last thrift crisis, banks declined 24% in 1990 but then rebounded 43% in 1991. The moves on the upside can be fast and furious. In the 1982 recession, stocks rebounded before the economy was in the clear, to the tune of 40% in 90 days. We believe that identifying the strong businesses and managements during downturns can be very profitable once the turn takes place, as those are usually the first to recover.

A History Of Bear Markets

Since 1900, the US stock market has corrected 20% or more (by definition a bear market) once every four to five years on average (Ibbotson Associates). Recessions have been less frequent. These corrections are a necessary and normal part of investing in auction markets. Bad behavior needs to be punished. We are now purging the excess of extremely easy money and disguised financial leverage. According to Standard and Poor's, there have been nine bear markets since 1956. They lasted on average 14 months. The market typically didn't cross the 20% mark until two-thirds of the way through the decline. The current market has been similar in that we dropped 20% off the October 9, 2007 high in a little over nine months. Bank credit has tightened to levels not seen since the 1940s and bearish sentiment hit 58% according to *Investors Intelligence* (July 2008). Although it may not feel like it, we believe this is a much better time to allocate capital for long-term buyers of quality businesses. Assets become inflated during times of easy money. Conversely, when money is tight, it can be a much better time to put money to work because bargains abound. As this decline matures it makes more sense to concentrate energies on "the knowable" variables of quality enduring businesses, as these "crisis" situations can lead to generational investment opportunities.

Your trust and support is appreciated.

Jeff Auxier

AUXIER FOCUS FUND
A MESSAGE TO OUR SHAREHOLDERS
JUNE 30, 2008

The S&P 500 Index is a broad-based unmanaged measurement of changes in the stock market based on 500 widely held common stocks. The Dow Jones Industrial Average consists of 30 stocks that are considered to be major factors in their industries and that are widely held by individuals and institutional investors. The MSCI World Index measures the performance of a diverse range of global stock markets in the U.S., Canada, Europe, Australia, New Zealand, and the Far East. The Nasdaq Composite Index is an unmanaged index representing the market cap weighted performance of approximately 5,000 domestic common stocks traded on the Nasdaq exchange. The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange. One cannot invest directly in an index.

The credit ratings mentioned are published rankings based on detailed financial analyses by a credit bureau, specifically as it relates to the bond issuer's ability to meet debt obligations. The highest rating is AAA, and the lowest is D. Securities with credit ratings of BBB and above are considered investment grade.

Derivatives are financial instruments (contracts) that do not represent ownership rights in any asset but, rather, derive their value from the value of some other underlying commodity or other asset.

Ibbotson Associates® is a leading authority on asset allocation with expertise in capital market expectations and portfolio implementation.

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.

As a non-diversified fund, the Fund will be subject to substantially more investment risk and potential for volatility than a diversified fund because its portfolio may at times focus on a limited number of companies. 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. Performance shown is for the Fund's Investor shares; returns for other shares classes will vary.

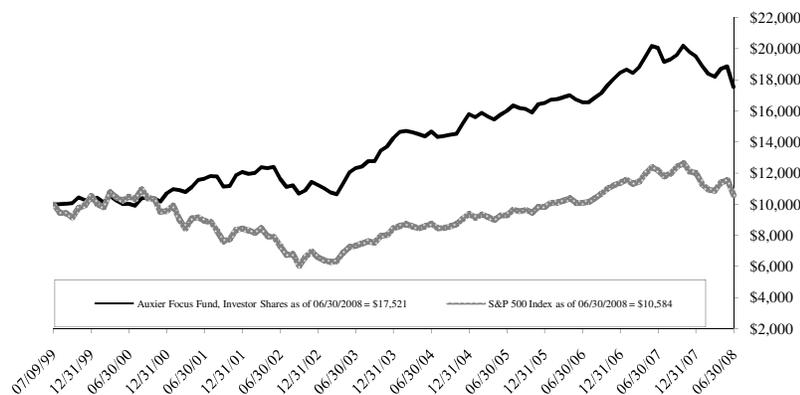
COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT

The following chart reflects the change in value since Auxier Focus Fund's (the "Fund") inception of a hypothetical \$10,000 investment, including reinvested dividends and distributions compared with a broad-based securities market index. The S&P 500 ("S&P") is a market weighted index composed of 500 large capitalization companies and reflects the reinvestment of dividends. The Fund is professionally managed while the S&P is unmanaged and is not available for investment. The total return of the Fund's classes includes the maximum sales charge of 5.75% (A shares only), the maximum contingent deferred sales charge ("CDSC") of 1.00% (C shares only) and operating expenses that reduce returns, while the total return of the S&P does not include the effect of sales charges and expenses. A shares are subject to a 1.00% CDSC on shares purchased without an initial sales charge and redeemed less than one year after purchase. The performance of each class will differ due to different sales charges and expense structures. During the performance period shown, certain Fund fees were waived or expenses reimbursed; otherwise, total return would have been lower, for all share classes.

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please visit the website of the Fund's investment adviser at www.auxierasset.com. Returns greater than one year are annualized. All Fund share classes charge a 2.00% redemption fee on shares redeemed within six months of purchase. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for the previous fiscal year for A Shares and C Shares were 1.61% and 2.36%, respectively. However, the Fund's adviser has agreed until October 31, 2008 to contractually waive a portion of its fees and to reimburse expenses such that total operating expenses do not exceed 1.35%, and 2.10% for A Shares and C Shares. The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

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.

<u>Average Annual Total Return as of 06/30/08</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Since Inception ⁽¹⁾</u>
Investor Shares	(12.56)%	7.31%	6.45%
S&P 500 Index (since 7/9/99)	(13.12)%	7.58%	0.63%
A Shares (with sales charge) ⁽²⁾⁽³⁾	(17.63)%	6.04%	5.74%
C Shares (with sales charge) ⁽³⁾	(14.11)%	6.49%	5.64%



(1) Investor, A and C shares commenced operations on July 9, 1999, July 8, 2005, and August 26, 2005, 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. Investor shares has the same net expense ratio as the A shares.

(3) For A shares and C shares, performance for the 5-year period and the since inception periods are blended average annual returns which include the returns of the Investor shares prior to the commencement of operations of the A shares or C shares, as applicable.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008

<u>Shares</u>	<u>Security Description</u>		<u>Value</u>
Common Stock - 72.7%			
Consumer Discretionary - 17.9%			
200	Alliance Data Systems Corp. (a)	\$	11,310
38,250	Andersons, Inc.		1,557,157
15,554	Apollo Group, Inc., Class A (a)		688,420
14,950	Career Education Corp. (a)		218,420
57,100	Comcast Corp., Class A		1,083,187
4,000	Costco Wholesale Corp.		280,560
31,050	CVS Caremark Corp.		1,228,648
4,594	Discovery Holding Co., Class A (a)		100,884
14,800	D.R. Horton, Inc.		160,580
25,100	Family Dollar Stores, Inc.		500,494
13,000	FirstService Corp. (a)		185,250
33,887	Gruma SAB de CV, ADR (a)		366,996
18,250	Home Depot, Inc.		427,415
40,870	Interpublic Group of Cos., Inc. (a)		351,482
7,600	ITT Educational Services, Inc. (a)		627,988
88,922	Lincoln Educational Services Corp. (a)		1,034,163
28,000	Lowe's Cos., Inc.		581,000
5,012	MAXIMUS, Inc.		174,518
5,000	McDonald's Corp.		281,100
23,100	Nike, Inc., Class B		1,376,991
1,500	Office Depot, Inc. (a)		16,410
15,250	Sally Beauty Holdings, Inc. (a)		98,515
7,400	Signet Group plc, ADR		73,704
28,445	Tesco plc, ADR		627,187
46,500	Time Warner, Inc.		688,200
21,200	Unilever NV		602,080
42,406	Universal Technical Institute, Inc. (a)		528,379
14,990	Value Line, Inc.		498,418
50,850	Wal-Mart Stores, Inc.		2,857,770
8,000	Weight Watchers International, Inc.		284,880
10,000	WM Wrigley Jr. Co.		777,800
8,600	Yum! Brands, Inc.		301,774
			18,591,680
Consumer Staples - 13.1%			
337,800	Alliance One International, Inc. (a)		1,726,158
35,150	Altria Group, Inc.		722,684
11,750	Anheuser-Busch Cos., Inc.		729,910
30,600	Coca-Cola Co.		1,590,588
7,282	Columbia Sportswear Co.		267,613
16,800	Diageo plc, ADR		1,241,016
65,500	Dr Pepper Snapple Group, Inc. (a)		1,374,190
7,600	Helen of Troy, Ltd. (a)		122,512
32,468	Kraft Foods, Inc.		923,715
10,750	Kroger Co.		310,352
8,760	National Beverage Corp. (a)		63,685
2,000	Nestle SA, ADR		226,586
3,000	Paychex, Inc.		93,840
41,800	Philip Morris International		2,064,502
11,450	Safeway, Inc.		326,898
1,650	UST, Inc.		90,107
70,370	Western Union Co.		1,739,546
			13,613,902

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
Energy - 4.1%		
16,750	Chevron Corp.	\$ 1,660,427
5,000	ConocoPhillips	471,950
100	Consol Energy, Inc.	11,237
1,200	Gazpromneft OAO, ADR	44,940
800	LUKOIL, ADR	78,560
10	Patriot Coal Corp. (a)	1,533
100	Peabody Energy Corp.	8,805
2,500	PetroChina Co., Ltd., ADR	322,150
7,800	Petroleo Brasileiro SA, ADR	552,474
1,300	Portland General Electric Co.	29,276
3,475	Spectra Energy Corp.	99,872
2,750	Surgutneftegaz, ADR	30,250
14,150	Valero Energy Corp.	582,697
8,800	Willbros Group, Inc. (a)	385,528
		4,279,699
Financials - 11.1%		
3,200	American Express Co.	120,544
28,550	American International Group, Inc.	755,433
1,280	Ameriprise Financial, Inc.	52,058
33,233	Bank of America Corp.	793,272
413	Berkshire Hathaway, Inc., Class B (a)	1,656,956
47,393	Citigroup, Inc.	794,307
81,850	Marsh & McLennan Cos., Inc.	2,173,117
2,600	Student Loan Corp.	255,008
54,768	Travelers Cos., Inc.	2,376,931
71,866	Unum Group	1,469,660
24,950	Waddell & Reed Financial, Inc.	873,499
7,646	Washington Federal, Inc.	138,392
12,750	Washington Mutual, Inc.	62,857
		11,522,034
Health Care - 11.0%		
8,750	Amgen, Inc. (a)	412,650
145,713	BioScrip, Inc. (a)	377,397
10,349	Coventry Health Care, Inc. (a)	314,817
4,662	Covidien Ltd.	223,263
8,960	Express Scripts, Inc. (a)	561,971
17,250	GlaxoSmithKline plc, ADR	762,795
12,150	Johnson & Johnson	781,731
17,070	LifePoint Hospitals, Inc. (a)	483,081
11,250	Merck & Co., Inc.	424,012
45,200	Pfizer, Inc.	789,644
29,100	Quest Diagnostics, Inc.	1,410,477
36,200	UnitedHealth Group, Inc.	950,250
28,271	WellPoint, Inc. (a)	1,347,396
13,650	Wyeth	654,654
27,850	Zimmer Holdings, Inc. (a)	1,895,192
		11,389,330
Industrials - 4.9%		
21,550	AGCO Corp. (a)	1,129,435
11,127	Blount International, Inc. (a)	129,184
3,000	Boeing Co.	197,160
12,655	Burlington Northern Santa Fe Corp.	1,264,108
28,000	General Electric Co.	747,320
2,200	Granite Construction, Inc.	69,366
4,850	Illinois Tool Works, Inc.	230,424
900	Simpson Manufacturing Co., Inc.	21,366
3,500	Textainer Group Holdings, Ltd.	68,355
4,662	Tyco Electronics, Ltd.	166,993
4,662	Tyco International, Ltd.	186,666
14,450	United Parcel Service, Inc., Class B	888,242
		5,098,619

See Notes to Financial Statements.

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008

<u>Shares</u>	<u>Security Description</u>		<u>Value</u>
Information Technology - 1.6%			
37,350	Dell, Inc. (a)	\$	817,218
30,150	Microsoft Corp.		829,427
			<u>1,646,645</u>
Materials - 3.8%			
21,200	Alcoa, Inc.		755,144
14,000	Companhia Vale do Rio Doce, ADR		501,480
47,350	Dow Chemical Co.		1,652,988
23,950	E.I. Du Pont de Nemours & Co.		1,027,216
550	Plum Creek Timber Co., Inc., REIT		23,491
			<u>3,960,319</u>
Telecommunications - 5.2%			
20,750	AT&T, Inc.		699,068
36,275	Motorola, Inc.		266,258
49,150	SK Telecom Co., Ltd., ADR		1,020,846
21,760	Telecom Corp. of New Zealand, Ltd., ADR		293,978
59,000	Telefonos de Mexico SAB de CV, ADR		1,397,120
59,000	Telmex Internacional SAB de CV, ADR (a)		949,900
33,350	Tele Norte Leste Participacoes SA, ADR		830,748
			<u>5,457,918</u>
Total Common Stock (Cost \$71,070,911)			<u>75,560,146</u>
Non-Convertible Preferred Stock - 0.6%			
Utilities - 0.6%			
		<u>Rate</u>	
305	AEP Texas Central Co.	4.00 %	22,132
1,500	Connecticut Light & Power, Series 1947	1.90	52,547
1,000	Connecticut Light & Power, Series 1947	2.00	34,162
1,500	Connecticut Light & Power, Series 1949	3.90	53,719
1,600	FirstService Corp.	7.00	30,400
1,300	Great Plains Energy, Inc.	4.50	106,691
4,000	Hawaiian Electric Co., Inc., Series C	4.25	58,750
300	Indianapolis Power & Light Co.	4.00	21,937
78	MidAmerican Energy Co.	3.30	5,616
80	MidAmerican Energy Co.	3.90	6,332
200	NSTAR Electric Co.	4.25	15,663
1,000	Pacific Enterprises	4.50	80,500
400	Peco Energy, Series A	3.80	28,820
945	Public Services Electric & Gas, Series A	4.08	69,651
300	Westar Energy, Inc.	4.25	26,728
Total Non-Convertible Preferred Stock (Cost \$491,388)			<u>613,648</u>
Exchange Traded Fund - 0.3%			
10,000	iShares MSCI Germany Index Fund (Cost \$94,200)		<u>295,000</u>
Principal			
		<u>Rate</u>	<u>Maturity Date</u>
Asset Backed Obligations - NM			
6,128	Scotia Pacific Co., LLC, Series B (b) (e) (Cost \$5,530)	6.55	07/20/28
			<u>5,638</u>
Corporate Bonds - 2.2%			
Consumer Discretionary - 0.2%			
550,000	WCI Communities, Inc.	7.88	10/01/13
Consumer Staples - 0.3%			
300,000	Alliance One International, Inc.	11.00	05/15/12
Energy - 0.2%			
190,000	El Paso Corp.	6.70	02/15/27
Financials - NM			
173,278	Finova Group, Inc. (b)	7.50	11/15/09

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008

<u>Principal</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
Health Care - 0.6%			
700,000 Tenet Healthcare Corp.	6.38	12/01/11	\$ 673,750
Industrials - 0.2%			
94,000 Waste Management, Inc.	7.38	08/01/10	98,238
71,000 Waste Management, Inc.	7.65	03/15/11	74,849
			<u>173,087</u>
Utilities - 0.7%			
790,000 Texas Competitive Electric Holdings Co, LLC (d)	10.25 %	11/01/15	778,150
Total Corporate Bonds (Cost \$2,668,488)			<u>2,337,390</u>
Foreign Municipal Bonds - 1.4% (c)			
1,500,000 Ontario Hydro Generic Residual Strip (Canada) Series OC20	5.51	10/01/20	825,897
356,000 Ontario Hydro Generic Residual Strip (Canada)	5.47-5.65	11/27/20	194,268
605,000 Ontario Hydro Generic Residual Strip (Canada)	5.61	10/15/21	314,128
235,000 Ontario Hydro Generic Residual Strip (Canada)	5.75	08/18/22	116,486
Total Foreign Municipal Bonds (Cost \$950,436)			<u>1,450,779</u>
US Treasury Securities - 0.9%			
445,000 US Treasury Note	2.63	05/31/10	445,417
460,000 US Treasury Note	3.88	07/15/10	471,716
Total US Treasury Securities (Cost \$900,289)			<u>917,133</u>
Short-Term Investments 7.0%			
<u>Shares</u>			
Money Market Fund - 7.0%			
7,321,248 Citi SM Institutional Cash Reserves, Class O (Cost \$7,321,248)			<u>7,321,248</u>
Total Investments - 85.1% (Cost \$83,502,490)*			\$ 88,500,982
Other Assets & Liabilities, Net - 14.9%			<u>15,475,451</u>
NET ASSETS - 100.0%			<u><u>\$ 103,976,433</u></u>

ADR American Depositary Receipt.
 plc Public Limited Company.
 REIT Real Estate Investment Trust.
 NM Not Material - less than 0.1%.

- (a) Non-income producing security.
 (b) Security is currently in default on scheduled principal or interest payments.
 (c) Zero coupon bond. Interest rate presented is yield to maturity.
 (d) Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$778,150 or 0.7% of net assets.
 (e) Security fair valued in accordance with procedures adopted by the Board of Trustees.
 At the period end, the value of these securities amounted to \$5,638 or 0.005% of net assets.

* Cost for Federal income tax purposes is \$83,513,395 and net unrealized appreciation (depreciation) consists of:

Gross Unrealized Appreciation	\$ 15,463,255
Gross Unrealized Depreciation	(10,475,668)
Net Unrealized Appreciation (Depreciation)	<u>\$ 4,987,587</u>

AUXIER FOCUS FUND
SCHEDULE OF INVESTMENTS
JUNE 30, 2008

PORTFOLIO HOLDINGS

% of Net Assets

Consumer Discretionary	17.9%
Consumer Staples	13.1%
Energy	4.1%
Financials	11.1%
Health Care	11.0%
Industrials	4.9%
Information Technology	1.6%
Materials	3.8%
Telecommunications	5.2%
Utilities	0.6%
Exchange Traded Funds	0.3%
US Treasury Securities	0.9%
Corporate Bonds	2.2%
Foreign Municipal Bonds	1.4%
Short-Term Investments and Other Assets and Liabilities, Net	21.9%
	<u>100.0%</u>

AUXIER FOCUS FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2008

ASSETS

Total investments, at value (Cost \$83,502,490)	\$ 88,500,982
Cash	15,056,097
Receivables:	
Fund shares sold	20,354
Investment securities sold	391,284
Dividends and interest	218,726
Other Assets	135
Total Assets	<u>104,187,578</u>

LIABILITIES

Payables:	
Fund shares redeemed	93,047
Accrued Liabilities:	
Investment adviser fees	117,964
Distribution fees	134
Total Liabilities	<u>211,145</u>

NET ASSETS

\$ 103,976,433

COMPONENTS OF NET ASSETS

Paid-in capital	\$ 96,195,424
Accumulated undistributed (distributions in excess of) net investment income	556,398
Accumulated net realized gain (loss) on investments and foreign currency transactions	2,226,119
Net unrealized appreciation (depreciation) on investments and foreign currency translations	<u>4,998,492</u>

NET ASSETS

\$ 103,976,433

SHARES OF BENEFICIAL INTEREST (UNLIMITED SHARES AUTHORIZED)

Investor Shares	7,292,209
A Shares	14,608
C Shares	7,318

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE

Investor Shares (based on net assets of \$103,664,144)	<u>\$ 14.22</u>
A Shares (based on net assets of \$207,790)	<u>\$ 14.22</u>
A Shares Maximum Public Offering Price Per Share (net asset value per share/94.25%)	<u>\$ 15.09</u>
C Shares (based on net assets of \$104,499)	<u>\$ 14.28</u>

AUXIER FOCUS FUND
STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2008

INVESTMENT INCOME

Dividend income (net of foreign taxes withheld of \$21,003)	\$	2,045,589
Interest income		718,865
Total Investment Income		<u>2,764,454</u>

EXPENSES

Investment adviser fees		1,526,415
Distribution fees:		
A Shares		725
C Shares		672
Trustees' fees and expenses		4,045
Total Expenses		<u>1,531,857</u>
Expenses reimbursed		<u>(4,937)</u>
Net Expenses		<u>1,526,920</u>

NET INVESTMENT INCOME (LOSS)

1,237,534

**NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS
AND FOREIGN CURRENCY TRANSACTIONS**

Net realized gain (loss) on investments and foreign currency transactions		3,514,197
Net change in unrealized appreciation (depreciation) on investments and foreign currency translations		<u>(19,651,807)</u>

**NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS
AND FOREIGN CURRENCY TRANSACTIONS**

(16,137,610)

INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS

\$ (14,900,076)

AUXIER FOCUS FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended June 30, 2008	Year Ended June 30, 2007
OPERATIONS		
Net investment income (loss)	\$ 1,237,534	\$ 2,632,187
Net realized gain (loss) on investments and foreign currency transactions	3,514,197	1,980,859
Net change in unrealized appreciation (depreciation) on investments	<u>(19,651,807)</u>	<u>16,389,967</u>
Increase (Decrease) in Net Assets from Operations	<u>(14,900,076)</u>	<u>21,003,013</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income:		
Investor Shares	(2,236,759)	(1,911,461)
A Shares	(5,400)	(10,239)
C Shares	(264)	(413)
Net realized gains:		
Investor Shares	(3,280,115)	(3,211,699)
A Shares	(9,142)	(15,576)
C Shares	(906)	(1,231)
Total Distributions To Shareholders	<u>(5,532,586)</u>	<u>(5,150,619)</u>
CAPITAL SHARE TRANSACTIONS		
Sale of Shares		
Investor Shares	18,525,072	10,449,713
A Shares	3,418	191,821
C Shares	82,336	5,864
Reinvestment of distributions:		
Investor Shares	5,380,512	5,024,561
A Shares	14,542	25,815
C Shares	1,170	1,644
Redemption of shares:		
Investor Shares	(16,674,439)	(18,129,894)
A Shares	(157,318)	(283,189)
C Shares	(17,986)	(10,936)
Redemption fees	<u>28,398</u>	<u>14,574</u>
Increase (Decrease) From Capital Transactions	<u>7,185,705</u>	<u>(2,710,027)</u>
Increase (Decrease) in Net Assets	<u>(13,246,957)</u>	<u>13,142,367</u>
NET ASSETS		
Beginning of Period	117,223,390	104,081,023
End of Period (a)	<u>\$ 103,976,433</u>	<u>\$ 117,223,390</u>
(a) Amount includes accumulated undistributed (distributions in excess of) net investment income	<u>\$ 556,398</u>	<u>\$ 1,579,697</u>

AUXIER FOCUS FUND
FINANCIAL HIGHLIGHTS

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

	<u>Beginning</u> <u>Net Asset</u> <u>Value Per</u> <u>Share</u>	<u>Net</u> <u>Investment</u> <u>Income</u> <u>(Loss) (b)</u>	<u>Net Realized</u> <u>and</u> <u>Unrealized</u> <u>Gain (Loss)</u>	<u>Total</u> <u>from</u> <u>Investment</u> <u>Operations</u>	<u>from Net</u> <u>Investment</u> <u>Income</u>	<u>from Net</u> <u>Realized</u> <u>Gains</u>	<u>Distributions</u> <u>Total</u> <u>Distributions</u> <u>to Shareholders</u>	<u>Redemption</u> <u>Fees (b)</u>	<u>Ending</u> <u>Net Asset</u> <u>Value Per</u> <u>Share</u>
Investor Shares									
Year Ended June 30, 2008	\$ 17.06	\$ 0.18	\$(2.24)	\$ (2.06)	\$ (0.31)	\$ (0.47)	\$ (0.78)	- (g)	\$ 14.22
Year Ended June 30, 2007	14.76	0.38	2.66	3.04	(0.27)	(0.47)	(0.74)	- (g)	17.06
Year Ended June 30, 2006	14.64	0.21	0.30	0.51	(0.18)	(0.21)	(0.39)	- (g)	14.76
Year Ended June 30, 2005	13.74	0.15	1.08	1.23	(0.08)	(0.25)	(0.33)	- (g)	14.64
Year Ended June 30, 2004 (c)	11.68	0.13	2.10	2.23	(0.17)	-	(0.17)	-	13.74
A Shares									
Year Ended June 30, 2008	17.07	0.17	(2.24)	(2.07)	(0.31)	(0.47)	(0.78)	- (g)	14.22
Year Ended June 30, 2007	14.77	0.41	2.63	3.04	(0.27)	(0.47)	(0.74)	-	17.07
July 8, 2005 through June 30, 2006 (h) (i)	14.81	0.21	0.14	0.35	(0.18)	(0.21)	(0.39)	-	14.77
C Shares									
Year Ended June 30, 2008	17.08	0.06	(2.26)	(2.20)	(0.13)	(0.47)	(0.60)	-	14.28
Year Ended June 30, 2007	14.78	0.25	2.67	2.92	(0.15)	(0.47)	(0.62)	-	17.08
August 26, 2005 through June 30, 2006 (i)	14.70	0.11	0.24	0.35	(0.06)	(0.21)	(0.27)	-	14.78

(a) Annualized for periods less than one year.

(b) Calculated based on average shares outstanding for the period.

(c) Audited by another Independent Registered Public Accounting Firm.

(d) Not annualized for periods less than one year.

(e) Total return does not include the effect of front-end sales charges or contingent deferred sales charges.

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

(g) Less than \$0.01 per share.

(h) 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 is for the period July 8, 2005 through June 30, 2006.

(i) A and C shares commenced operations on July 8, 2005 and August 26, 2005, respectively.

AUXIER FOCUS FUND
 FINANCIAL HIGHLIGHTS (continued)

	<u>Total</u> <u>Return (d) (e)</u>	<u>Net Assets at</u> <u>End of Period</u> <u>(000's Omitted)</u>	<u>Ratios to Average</u> <u>Net Assets (a)</u>			<u>Portfolio</u> <u>Turnover</u> <u>Rate (d)</u>
			<u>Net</u> <u>Investment</u> <u>Income (Loss)</u>	<u>Net</u> <u>Expenses</u>	<u>Gross</u> <u>Expenses (f)</u>	
Investor Shares						
Year Ended June 30, 2008	(12.56)%	\$103,664	1.10%	1.35%	1.36%	19%
Year Ended June 30, 2007	21.11%	116,774	2.40%	1.35%	1.36%	16%
Year Ended June 30, 2006	3.44%	103,642	1.44%	1.35%	1.36%	28%
Year Ended June 30, 2005	9.01%	96,395	1.09%	1.35%	1.35%	28%
Year Ended June 30, 2004 (c)	19.17%	63,885	0.97%	1.35%	1.35%	18%
A Shares						
Year Ended June 30, 2008	(12.61)%	208	1.08%	1.35%	1.60%	19%
Year Ended June 30, 2007	21.10%	399	2.59%	1.35%	1.60%	16%
July 8, 2005 through June 30, 2006 (h) (i)	2.32%	392	1.56%	1.35%	1.61%	28%
C Shares						
Year Ended June 30, 2008	(13.27)%	104	0.36%	2.10%	2.36%	19%
Year Ended June 30, 2007	20.18%	51	1.61%	2.10%	2.36%	16%
August 26, 2005 through June 30, 2006 (i)	2.38%	47	0.84%	2.10%	2.36%	28%

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. As of June 30, 2008, the Trust had twenty-seven investment portfolios. 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 C Shares. Investor Shares, A Shares and C Shares commenced operations on July 9, 1999, July 8, 2005 and August 26, 2005, respectively.

The Fund’s investment objective is to achieve long-term capital appreciation by investing primarily in a portfolio of common stocks that the Fund’s investment adviser believes offer growth opportunities at a reasonable price. The Fund is intended for long-term investors.

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 (“generally accepted accounting principles”), 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 increase and decrease 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 – Exchange traded securities and over-the-counter securities are valued using the last quoted sale 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 asked price. 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 asked 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. Short-term instruments that mature in sixty 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 believes that the values available are unreliable. 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.

Security Transactions, Investment Income and Realized Gain and Loss – Investment transactions are accounted for on 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 practical 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 and discount is amortized and accreted in accordance with generally accepted accounting principles. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes.

Foreign Currency — Foreign currency amounts are translated into U.S. dollars as follows: (i) assets and liabilities at the rate of exchange at the end of the respective period; and (ii) 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.

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The Fund may enter into transactions to purchase or sell foreign currencies to protect the U.S. dollar value of its underlying portfolio securities against the effect of possible adverse movements in foreign exchange rates. Principal risks associated with such transactions include the movement in value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. Fluctuations in the value of such forward currency transactions are recorded daily as unrealized gain or loss; realized gain or loss includes net gain or loss on transactions that have terminated by settlement or by the Fund entering into offsetting commitments. These instruments involve market risk, credit risk, or both kinds of risks, in excess of the amount recognized in the Statement of Assets and Liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

Distributions to Shareholders – Distributions to shareholders of net investment income and net capital gains, if any, are declared and paid at least annually. Distributions are based on amounts calculated in accordance with applicable Federal income tax regulations, which may differ from generally accepted accounting principles. 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 qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute all its taxable income. In addition, by distributing in each calendar year substantially all 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 adopted Financial Accounting Standards Board (“FASB”) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* – an interpretation of FAS 109 (“FIN 48”) on July 1, 2007. FIN 48 prescribes a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return, and requires certain expanded disclosures. Management concluded that as of June 30, 2008, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. The Fund’s Federal tax returns filed in the three-year period ended June 30, 2008 remain subject to examination by the Internal Revenue Service.

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 or exchanges shares within 180 days of purchase will incur a redemption fee of 2.00% of the current net asset value of shares redeemed or exchanged, 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.

New Accounting Pronouncements – In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 *Fair Value Measurements* (“SFAS 157”), which is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. Management is currently evaluating the impact the adoption of SFAS 157 will have on the Fund’s financial statements.

In March 2008, Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (“SFAS 161”), was issued and is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about the Fund’s use of and accounting for derivative instruments and

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

the effect of derivative instruments on the Fund's results of operations and financial position. Management is currently evaluating the impact the adoption of SFAS 161 will have on the Fund's financial statement disclosures.

Note 3. Advisory Fees, Servicing Fees and Other Transactions

Investment Adviser – Auxier Asset Management, LLC (the "Adviser") is the investment adviser to the Fund. Pursuant to a management agreement, the Adviser receives an advisory fee from the Fund at an annual rate of 1.35% of the Fund's average daily net assets.

Under the terms of the management agreement, the Adviser provides investment advisory services to the Fund and is obligated to pay all expenses of the Fund except any expenses it is authorized to pay under Rule 12b-1, brokerage fees and commissions, borrowing costs, taxes, certain compensation expenses of the Trustees, and extraordinary and non-recurring expenses.

Distribution – Foreside Fund Services, LLC serves as the Fund's distributor (the "Distributor"). The Distributor is not affiliated with the Adviser or with Atlantic Fund Administration, LLC ("Atlantic") or their affiliates. The Fund has adopted a distribution plan for A shares and C shares of the Fund in accordance with Rule 12b-1 of the 1940 Act ("Distribution plan"). Under the Distribution plan, the Fund pays the Distributor and any other entity as authorized by the Board a fee of 0.25% and 1.00%, respectively, of the average daily net assets of A and C 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, 2008, the Distributor received \$27 of the front-end sales charges assessed on the sale of A Shares. The Distributor did not retain any commissions from the contingent deferred sales charges assessed on A Shares purchased without an initial sales charge and redeemed less than one year after they are purchased. The Distributor did not retain any commissions from contingent deferred sales charges assessed on purchases of \$1 million or more of C Shares that are liquidated in whole or in part within one year of purchase.

Other Related Parties – As of June 2, 2008, as to fund accounting and fund administration, and on June 16, 2008, as to transfer agency, Atlantic provides those services to the Fund.

Atlantic provides a Principal Executive Officer, Principal Financial Officer, Chief Compliance Officer, and an Anti-Money Laundering Compliance Officer to the Fund, as well as certain additional compliance support functions.

For the period July 1, 2007 through June 1, 2008, Foreside Compliance Services, LLC ("FCS"), an affiliate of the Distributor, provided a Principal Executive Officer, Principal Financial Officer, Chief Compliance Officer, and Anti-Money Laundering Officer as well as certain additional compliance support functions to the Fund. FCS had no role in determining the investment policies or which securities were to be purchased or sold by the Trust or its Funds. Certain officers or employees of FCS were also officers of the Trust. The Principal Executive Officer was an affiliate of the Distributor due to his ownership in the Distributor. For the year ended June 30, 2008, the Adviser paid compliance service fees for the Fund in the amount of \$38,807 from the fees collected under the advisory agreement.

Note 4. Expense Reimbursements

The Adviser has contractually agreed to waive a portion of its fees and reimburse expenses through October 31, 2008 to the extent necessary to maintain the total operating expenses at 1.35% of average daily net assets of the Investor shares and A shares and 2.10% of average daily net assets of C shares. These contractual waivers may be changed or eliminated at any time with consent of the Board. For the year ended June 30, 2008, expenses reimbursed were \$4,937.

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments, for the year ended June 30, 2008, were \$17,758,940 and \$28,557,859 respectively.

AUXIER FOCUS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 6. Federal Income Tax and Investment Transactions

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

	<u>2008</u>	<u>2007</u>
Ordinary Income	\$ 2,435,408	\$ 1,922,113
Long-term Capital Gain	\$ 3,097,178	3,232,506

As of June 30, 2008, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 729,583
Undistributed Long-Term Gain	2,063,839
Unrealized Appreciation (Depreciation)	4,987,587
Total	<u>\$ 7,781,009</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.

On the Statement of Assets and Liabilities, as a result of permanent book to tax differences, certain amounts have been reclassified for the year ended June 30, 2008. The following reclassification was the result of Real Estate Investment Trust (REIT) income classifications and has no impact on the net assets of the Fund.

Accumulated Net Investment Income (Loss)	\$(18,410)
Undistributed Net Realized Gain	18,409
Paid-In-Capital	1

Note 7. Share Transactions

Share Transactions for the Fund were as follows:

	<u>Year Ended</u> <u>2008</u>	<u>Year Ended</u> <u>2007</u>
Sales of Shares:		
Investor Shares	1,184,559	664,908
A Shares	204	12,462
C Shares	5,349	372
Reinvestment of distributions:		
Investor Shares	332,972	317,807
A Shares	898	1,632
C Shares	72	104
Redemption of shares:		
Investor Shares	(1,069,704)	(1,157,996)
A Shares	(9,844)	(17,258)
C Shares	(1,069)	(692)
Increase (decrease) from share transactions	<u>(443,437)</u>	<u>(178,661)</u>

Note 8. Other Information

On June 30, 2008, one shareholder held 47% of the Fund's outstanding Investor shares. This shareholder is an omnibus account, which is held on behalf of several individual shareholders. On the aforementioned date, two shareholders held 24% of the Fund's outstanding A shares. On the aforementioned date, five shareholders held 78% of the Fund's outstanding shares of C shares.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statement of assets and liabilities of Auxier Focus Fund (the “Fund”), a series of Forum Funds (the “Trust”), including the schedule of investments, as of June 30, 2008, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the four years in the 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. The financial highlights for the year ended June 30, 2004 were audited by other auditors whose report, dated August 25, 2004, expressed an unqualified opinion on those financial highlights.

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 audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of June 30, 2008, by correspondence with the custodian. 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 Auxier Focus Fund as of June 30, 2008, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the four years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Boston, Massachusetts
August 25, 2008

AUXIER FOCUS FUND

ADDITIONAL INFORMATION (Unaudited)

JUNE 30, 2008

Investment Advisory Agreement Approval

At the October 4, 2007 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement pertaining to the Fund (the “Advisory Agreement”). In evaluating the Advisory Agreement for the Fund, the Board reviewed materials furnished by the Adviser and the administrator, including information regarding the Adviser, its personnel, operations and financial condition. Specifically, the Board considered, among other matters: (1) the nature, extent and quality of the services to be provided to the Fund by the Adviser, including information on the investment performance of the Adviser; (2) the costs of the services to be provided and profitability to the Adviser with respect to its relationship with the Fund; (3) the advisory fee and total expense ratio of the Fund compared to relevant peer groups of funds; (4) the extent to which economies of scale would be realized as the Fund grows and whether the advisory fee would enable 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. In their deliberations, the Board did not identify any particular information that was all-important or controlling, and the Board attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

Nature, Extent and Quality of the Services

The Board received a presentation from a senior representative of Auxier Asset Management LLC (the “Adviser”) and discussed the Adviser’s personnel, operations and financial condition. In reviewing the nature, extent and quality of services, the Board considered the scope and quality of services provided by the Adviser under the Advisory Agreement and the quality of the investment research capabilities of the Adviser and other resources dedicated to performing services for the Fund. The Board also considered information regarding the experience and professional background of the portfolio managers at the Adviser and the qualifications and capabilities of the portfolio managers and other personnel who would have principal investment responsibility for the Fund’s investments; the investment philosophy and decision-making processes of those professionals; the capability and integrity of the Adviser’s senior management and staff; the quality of the Adviser’s services with respect to regulatory compliance and compliance with client investment policies and restrictions; and the financial condition and operational stability of the Adviser. The Board also reviewed the Adviser’s balance sheet for the fiscal year ended June 30, 2007 and concluded that the Adviser is financially able to provide investment advisory services to the Fund.

The Board concluded that, overall, it was satisfied with the nature, extent and quality of services provided to the Fund under the Advisory Agreement, that the Adviser could provide high quality services to the Fund and that the investment expertise of the Adviser’s professionals could benefit the Fund.

Costs of Services and Profitability

The Board then considered information provided by the Adviser regarding its costs of services and profitability with respect to the Fund. The Board considered the Adviser’s resources devoted to the Fund as well as an assessment of costs and profitability provided by the Adviser. The Board concluded that the level of the Adviser’s profits attributable to management of the Fund was not excessive in light of the services provided by the Adviser on behalf of the Fund.

Compensation

The Board also considered the Adviser’s compensation for providing advisory services to the Fund and analyzed comparative information on fees and total expenses of similar mutual funds. The Board noted that while the Adviser’s contractual advisory fee rate was higher than the mean and median advisory fee for its Lipper Inc. peer group, the Adviser utilizes a unified fee structure, whereby the advisory fee is used to pay certain expenses on behalf of the Fund, including all operating expenses. The Board noted that although the contractual advisory fee was high because of the unified fee structure, the total actual expense ratio for each of the Fund’s Investor Shares and A Shares was within the range of actual expenses ratios of funds within its peer group. The Board also noted that the contractual expense ratio for each of the Fund’s Investor Shares and A Shares was within the range of contractual expense ratios of funds within its peer group. The Board recognized that it was difficult to compare advisory fees and expense ratios because of variations between the services provided by the Adviser and those included in the advisory fees paid by other funds. Under these circumstances, the Board concluded that the Adviser’s advisory fee charged to the Fund was reasonable.

Performance

The Adviser discussed its approach to managing the Fund as well as the Fund's performance. The Board considered the Fund's performance since inception, noting that, as of June 30, 2007, the Fund has outperformed its benchmark 67% of the time. The Board also noted that the Fund's performance should be considered in light of the Fund's investment objective to provide long-term capital appreciation and the desire of the Fund's shareholders for a relatively conservative investing style.

Economies of Scale

The Board considered whether the Fund would benefit from any economies of scale. The Board noted that, although the Adviser's fee schedules do not have breakpoints, and thus would not reflect any economies of scale, the Fund was subject to contractual fee waivers by the Adviser. The Board also considered the size of the Fund and determined that it would not be necessary to consider the implementation of breakpoints at this time.

Other Benefits

The Board noted the Adviser's representations that it does not receive other benefits from its relationship with the Fund. Based on the foregoing, the Board concluded that other benefits received by the Adviser from its relationship with the Fund were not a material factor to consider in approving the continuation of the Advisory Agreement.

Conclusion

Prior to voting, the Board reviewed a memorandum from Fund Counsel discussing the legal standards applicable to its consideration of the Advisory Agreement. The Board also discussed the proposed approval of the continuance of the Advisory Agreement. Based on its review, including consideration of each of the factors referred to above, the Board (including all of the Independent Trustees) determined, in the exercise of their business judgment, that the advisory fees of the Fund were fair, and that renewing the Advisory Agreement was in the best interest of the Fund's shareholders.

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 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. The Fund's Forms N-Q 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 (202) 551-8090.

AUXIER FOCUS FUND
 ADDITIONAL INFORMATION (Unaudited)
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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, and exchange 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 following example is based on \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2008 through June 30, 2008.

Actual Expenses – The first line under each class of shares in 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 relevant 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 class of shares in the table below provides information about hypothetical account values and hypothetical expenses based on a 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 cost of investing in the Fund to such costs of 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 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) for certain share classes, redemption fees or exchange 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 had been included, your costs would have been higher.

	<u>Beginning Account Value January 1, 2008</u>	<u>Ending Account Value June 30, 2008</u>	<u>Expenses Paid During Period*</u>	<u>Annualized Expense Ratio*</u>
Investor Shares				
Actual Return	\$1,000.00	\$898.29	\$6.37	1.35%
Hypothetical Return (5% return before expenses)	\$1,000.00	\$1,018.15	\$6.77	1.35%
A Shares				
Actual Return	\$1,000.00	\$897.15	\$6.37	1.35%
Hypothetical Return (5% return before expenses)	\$1,000.00	\$1,018.15	\$6.77	1.35%
C Shares				
Actual Return	\$1,000.00	\$894.17	\$9.89	2.10%
Hypothetical Return (5% return before expenses)	\$1,000.00	\$1,014.42	\$10.52	2.10%

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

AUXIER FOCUS FUND

ADDITIONAL INFORMATION (Unaudited)

JUNE 30, 2008

Federal Tax Status of Dividends Declared During the Tax Year

Income Dividends – For Federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Fund designates 98.90% 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 21.12% as qualified Interest Income exempt from US tax for foreign shareholders (QII) and 34.23% as qualified short-term capital gain (QSD).

Capital Gain Dividends - The Fund paid long-term capital gain dividends of \$3,097,178 for the tax year ended June 30, 2008.

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 shareholders. The following tables give information about each Board member and certain officers of the Trust. The Trustees listed below also serve in the capacities noted below for Monarch Funds. Mr. Keffer is considered an Interested Trustee of the Trust due to his affiliation with Atlantic. Mr. Keffer is also an Interested Trustee/Director of Wintergreen Fund, Inc. 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, unless otherwise indicated. Each Trustee oversees twenty-seven portfolios in the Trust. 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 5 Years
Independent Trustees			
J. Michael Parish Born: 1943	Chairman of the Board; Trustee; Chairman, Compliance Committee, Nominating Committee and Qualified Legal Compliance Committee	Trustee since 1989 (Chairman since 2004)	Retired; Partner, Wolf, Block, Schorr and Solis-Cohen, LLP (law firm) 2002 – 2003; Partner, Thelen Reid & Priest LLP (law firm) 1995 – 2002.
Costas Azariadis Born: 1943	Trustee; Chairman, Valuation Committee	Since 1989	Professor of Economics, Washington University (effective 2006); Professor of Economics, University of California-Los Angeles 1992 – 2006.
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.
Interested Trustee			
John Y. Keffer ¹ Born: 1942	Trustee; Chairman, Contracts Committee	Since 1989	Chairman, Atlantic Fund Administration, LLC since 2008; President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company) since 1997; President, Citigroup Fund Services, LLC (Citigroup) 2003 – 2005; President, Forum Financial Group, LLC ("Forum") (a fund services company acquired by Citibank, N.A.) 1986 – 2003.

AUXIER FOCUS FUND

ADDITIONAL INFORMATION (Unaudited)

JUNE 30, 2008

Officers			
Stacey E. Hong Born: 1966	President; Principal Executive Officer	Since June 2008	President, Atlantic Fund Administration, LLC since 2008; Director, Consulting Services, Foreside Fund Services, January 2007 - September 2007; Elder Care June 2005 – December 2006; Director, Fund Accounting, Citigroup December 2003 – May 2005; Director/Senior Manager/Manager, Accounting, Forum Financial Group April 1992 – November 2003; Auditor, Ernst & Young May 1988 – March 1992.
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since July 2008	Senior Manager, Atlantic Fund Administration, LLC since 2008; Section Manager/Vice President, Enterprise Support Services, Citigroup December 2003–July 2008; Senior Manager, Support and Fund Accounting, Forum Financial Group, August 1994–December 2003.
Gale Bertrand Born: 1964	Vice President	Since July 2008	Senior Manager, Atlantic Fund Administration, LLC since 2008; Department Manager/Senior Vice President, Enterprise Support Services, Citigroup December 2003–July 2008; Director, Support, Senior Manager Fund Accounting, Forum Financial Group, March 1990–December 2003.
Lina Bhatnagar Born: 1971	Secretary	Since June 2008	Senior Administration Specialist, Atlantic Fund Administration, LLC since May 2008; Regulatory Administration Specialist, Citigroup, June 2006 – May 2008; Money Market/Short term Trader, Wellington Management, 1996 – 2002.

¹ Since 1997, John Y. Keffer has been president and owner of Forum Trust, LLC, a state chartered, non-depository bank; and vice chairman and trustee of the Trust. Atlantic Fund Administration, LLC, is a subsidiary of Forum Trust, LLC.

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.