

Tilson Mutual Funds

December 29, 2010

Dear Tilson Focus Fund (TILFX) and Tilson Dividend Fund (TILDIX) investors:

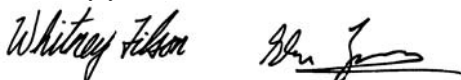
NET INVESTMENT INCOME AND CAPITAL GAIN DISTRIBUTIONS

The Tilson Dividend Fund is expected to pay net investment income and capital gain distributions in 2010. The table below provides the distribution estimates as a percentage of share prices. For both distributions, the Record Date will be December 29, 2010 and the Ex-Payable Date will be December 30, 2010. The Tilson Focus Fund will not pay any distributions in 2010.

| Fund | Long-Term Capital Gain Percentage Range | Short-Term Capital Gain Percentage Range | Net Investment Income Percentage Range |
|----------------------|--|---|---|
| Tilson Focus Fund | 0% | 0% | 0% |
| Tilson Dividend Fund | <1% | 0% | <1% |

For each distribution, the fund's net asset value per share drops on the Ex-Payable Date by the amount of the distribution per share to reflect that the distribution has been paid out. The drop in the net asset value does not reflect a loss in the shareholder's overall investment value, but instead indicates that a portion of that value has been re-allocated to the shareholder as a capital gain. There may also be appreciation or depreciation in the fund value from market activity on that day that will also be reflected in the net asset value. (For the Funds' most up-to-date performance information, please see our web site at www.tilsonmutualfunds.com. Note that the net asset value (NAV) of both Funds at inception on March 16, 2005 was \$10.00.)

Sincerely yours,



Whitney Tilson and Glenn Tongue, Co-Portfolio Managers, Tilson Focus Fund



Zeke Ashton, Portfolio Manager, Tilson Dividend Fund

Please refer to disclosures on reverse side of the letter

Tilson Mutual Funds

Estimated distribution information is provided for informational purposes only and is subject to change. The payment of capital gains distributions is not an indicator of fund performance.

An investor should consider the investment objectives, risks and charges and expenses of the Funds carefully before investing. The prospectus contains this and other information about the Funds. A copy of the prospectus is available by calling the Funds directly at (888) 484-5766. The prospectus should be read carefully before investing.

Distributor: Capital Investment Group, Inc., Member FINRA/SIPC, 17 Glenwood Ave, Raleigh, NC, 27603, (800) 773-3863. There is no affiliation between the Tilson Mutual Funds, including its principals, and Capital Investment Group, Inc.