

Tilson Mutual Funds

December 21, 2011

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

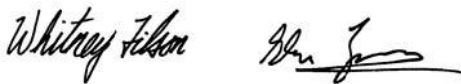
NET INVESTMENT INCOME AND CAPITAL GAIN DISTRIBUTIONS

The Tilson Focus Fund and the Tilson Dividend Fund are expected to pay net investment income and capital gain distributions in 2011. The table below provides the distribution estimates as a percentage of share prices. For both distributions, the Record Date will be December 29, 2011 and the Ex-Payable Date will be December 30, 2011.

Fund	Long-Term Capital Gain Percentage Range	Short-Term Capital Gain Percentage Range	Net Investment Income Percentage Range
Tilson Focus Fund	0%	0%	<1.25%
Tilson Dividend Fund	<1.25%	<1%	<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

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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.

Investments in the Funds are subject to investment risks, including the possible loss of some or all of the principal amount invested. There can be no assurance that either of the Funds will be successful in meeting its investment objective. Generally, the Funds will be subject to the following additional risks: market risk, management style risk, sector focus risk, foreign securities risk, non-diversified fund risk, portfolio turnover risk, credit risk, interest rate risk, maturity risk, investment grade securities risk, junk bonds or lower-rated securities risk, derivative instruments risk, valuation risks for non-exchange traded options, and real estate securities risk. More information about these risks and other risks can be found in the Fund's prospectus.

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.

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