

# *Annual Report 2006*

Focus Fund  
Dividend Fund  
*October 31, 2006*

## Tilson Mutual Funds

This report and the financial statements contained herein are submitted for the general information of the shareholders of the Tilson Funds (collectively the "Funds," individually the "Focus Fund" and the "Dividend Fund"). This report is not authorized for distribution to prospective investors in the Funds unless preceded or accompanied by an effective prospectus. Mutual fund shares are not deposits or obligations of, or guaranteed by, any depository institution. Shares are not insured by the FDIC, Federal Reserve Board or any other agency, and are subject to investment risks, including possible loss of principal amount invested. Neither the Funds nor the Funds' distributor is a bank.

Distributor: Capital Investment Group, Inc. 116 South Franklin Street, Rocky Mount, NC 27804, Phone 1-800-773-3863.

Statements in this Annual Report that reflect projections or expectations of future financial or economic performance of the Tilson Funds ("Funds") and of the market in general and statements of the Funds' plans and objectives for future operations are forward-looking statements. No assurance can be given that actual results or events will not differ materially from those projected, estimated, assumed or anticipated in any such forward-looking statements. Important factors that could result in such differences, in addition to the other factors noted with such forward-looking statements, include, without limitation, general economic conditions such as inflation, recession and interest rates. Past performance is not a guarantee of future results.

Investment in the Funds is subject to investment risks, including the possible loss of some or all of the principal amount invested. There can be no assurance that 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 risk for non-exchange traded options, and real estate securities risk. More information about these risks and other risks can be found in the Funds' prospectus. When the Funds sell covered call options, the Funds give up additional appreciation in the stock above the strike price since there is the obligation to sell the stock at the covered call option's strike price.

*The performance information quoted in this annual report represents past performance, which is not a guarantee of future results. Investment return and 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. Current performance may be lower or higher than the performance data quoted. A redemption fee of 2% of the amount redeemed is imposed on redemptions of Fund shares occurring within one year following the issuance of such shares. An investor may obtain performance data current to the most recent month-end by visiting [www.nottinghamco.com](http://www.nottinghamco.com).*

**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 at [www.nottinghamco.com](http://www.nottinghamco.com) or by calling Shareholder Services at 1-888-4TILSON (1-888-484-5766). The prospectus should be read carefully before investing.**

Stated performance in the Funds was achieved at some or all points during the year by waiving or reimbursing part of those Funds' total expenses to ensure shareholders did not absorb expenses significantly greater than the industry norm.

*This Annual Report was first distributed to shareholders on or about December 29, 2006.*

See Our Web site @ [www.tilsonmutualfunds.com](http://www.tilsonmutualfunds.com)

or

Call Our Shareholder Services Group Toll-Free at **1-888-4TILSON**, (1-888-484-5766)

December 22, 2006

Dear Tilson Focus Fund and Tilson Dividend Fund investors:

As you can see from the table below, during our fiscal year ending on October 31, 2006, the Tilson Focus Fund had produced a one-year total return of 29.84%, versus a 16.61% return over the same period for its benchmark, the Dow Jones Wilshire 5000 Composite Total Return Index (full cap), while the Tilson Dividend Fund produced a one-year total return of 22.19% versus a 15.80% return over the same period for its benchmark, the Dow Jones U.S. Select Dividend Total Return Index.

For the cumulative period since the Funds' inception on March 16, 2005, the Tilson Focus Fund returned an annualized 15.88% return versus an 11.97% annualized return over the same period for its benchmark, while the Tilson Dividend Fund reported an annualized 15.32% return versus the 11.31% annualized return over the same period for its benchmark.

(For the Funds' most up-to-date performance information, please see our web site at [www.tilsonmutualfunds.com](http://www.tilsonmutualfunds.com). Note that the net asset value (NAV) of both funds at inception on March 16, 2005 was \$10.00.)

<b>Performance as of October 31, 2006</b>		
<b>Average Annual Total Returns</b>	<b>One Year</b>	<b>Since Inception*</b>
<b>Tilson Focus Fund</b>	29.84%	15.88%
<b>Tilson Dividend Fund</b>	22.19%	15.32%
<b>Dow Jones Wilshire 5000 Composite Total Return Index (full cap)</b>	16.61%	11.97%
<b>Dow Jones U.S. Select Dividend Total Return Index</b>	15.80%	11.31%
<b>S&amp;P 500 Total Return Index</b>	16.34%	10.98%

*Performance shown is for the period ended October 31, 2006. The performance data quoted above represents past performance, which is not a guarantee of future results. Investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data quoted. To obtain more current performance data regarding the Fund, including performance data current to the Fund's most recent month-end, please visit [www.tilsonmutualfunds.com](http://www.tilsonmutualfunds.com). A 2% redemption fee is charged upon redemption of Fund shares occurring within one year from following the issuance of shares. The performance data quoted above does not reflect the deduction of the redemption fee and if reflected, the redemption fee would reduce the performance quoted.*

*\*The Funds' inception date is March 16, 2005.*

## Investment Principles

In this letter, we'd like to highlight the investment principles that govern both Tilson Funds:

- 1) We believe in eating our own cooking. We are investors in our funds (and funds managed similarly) and many of our friends and family are investors as well.
- 2) We think about investing as the purchasing of companies, rather than the trading of stocks.
- 3) We seek to invest in high-quality businesses that we understand well – those that are within our “circle of competence” – at attractive prices, meaning that we believe the stock is trading at a substantial discount to our conservative estimate of a company’s intrinsic value – what Benjamin Graham first called a “margin of safety”.
- 4) We cast a wide net in seeking the best investment opportunities and, as such, do not impose on ourselves artificial limitations on the industry sector or size of company in which we will invest.
- 5) We focus first on trying to avoid losses, and only then think about potential gains.
- 6) In the absence of compelling investment opportunities, our default option is to hold cash.
- 7) Risk to us has little to do with the short-term volatility of stock prices; rather, we define risk as the chance of permanent capital loss. Thus, we pay little attention to the short-term gyrations of the market, other than to take advantage of occasions when we believe the stocks of companies we own or would like to own become significantly undervalued, in which case, we buy. Conversely, periods of overvaluation are opportunities to sell.
- 8) We typically invest with a multi-year time horizon rather than engaging in short-term speculation. We believe that the market is highly efficient in the short run, but much less so when looking forward over periods longer than a year or two.
- 9) We don't believe in diluting our best ideas with lesser ones, so our funds are substantially more concentrated than typical mutual funds, which can often hold more than 100 different securities. We don't swing very often, but when we do, we swing hard.
- 10) We neither take comfort from standing with the crowd nor pride in standing alone. Though we tend to be contrarian, that's simply because we believe that the best opportunities lie in carefully buying high-quality companies that have fallen out of favor or are off mainstream investors' radar screens, whereas we believe the greatest risks generally lie in buying the most popular companies in the hottest sectors.

## Tilson Focus Fund

[This section is written by Whitney Tilson and Glenn Tongue, the co-managers of the Tilson Focus Fund.]

We are very pleased with the performance of the Tilson Focus Fund, which Lipper ranked as the top performing mutual fund in its Multicap Core category of 927 funds for the fiscal year ended October 31, 2006. The Fund's performance has been especially strong over the past few months during which time many of our big-cap, blue-chip stocks such as Berkshire Hathaway, McDonald's and Microsoft rose substantially, thanks to strong results and the market finally recognizing their undervaluation.

## Largest Holdings

Since our last letter (for the fiscal second quarter ending 6/30/06), we sold all of our Sears Holdings stock, trimmed our Dell and Wal-Mart positions, and Costco fell off our top 10 list simply because we didn't buy more of it as our Fund grew. These four positions were replaced in our top 10 by new positions in Celebrate Express, Western Union (which spun out of First Data in September 2006) and USG, plus we added to our Foot Locker position, moving it into the top 10.

Overall, our 10 largest holdings as of October 31<sup>st</sup> were:

<u>Position</u>	<u>% of Fund</u>	<u>YTD Performance</u>
1) Stock of Berkshire Hathaway (B shares) (BRK.B)	14.6	19.8
2) Stock and calls of McDonald's (MCD)	14.1	24.3
3) Stock and calls of Microsoft (MSFT)	10.8	9.8
4) Stock and calls of Wendy's (WEN)	8.1	33.7
5) Stock of Celebrate Express (BDAY)	5.0	-3.2*
6) Stock of Western Union (WU)	4.9	20.5*
7) Stock of Resource America (REXI)	4.6	35.0
8) Stock of USG (USG)	4.3	-24.8*
9) Stock and calls of Foot Locker (FL)	4.2	-1.7
10) Stock of Canadian Tire (CTC/A)	<u>4.0</u>	-7.4*
	<b>Total: 74.6</b>	

\* The Tilson Focus Fund did not own Celebrate Express, Western Union, USG and Canadian Tire for the entire year-to-date period. Thus, our investment returns on these securities differ materially from their YTD performance. Our holdings are up 7.0% in Celebrate Express, up 9.1% in Western Union, -1.3% in USG and up 4.8% in Canadian Tire.

*Please refer to the Portfolio of Investments section of the Annual Report for a complete listing of the Fund holdings and the amount each represents of the portfolio.*

This chart underscores two important points: first, as we noted above in Investment Principle #9, our Fund is highly concentrated in our best ideas – what we call “focus investing” (hence the name Tilson Focus Fund). There are very few other mutual funds that have 39.5% of assets in the three largest positions and 74.6% in the top 10. Be forewarned that this concentration may, at times, lead to investment returns that are more

volatile than our benchmark, the Dow Jones Wilshire 5000 Composite Total Return Index (full cap), but we believe that concentrating on our best ideas offers us the best prospect of delivering market-beating returns over time.

The second important point relates to Investment Principle #5: “We focus first on trying to avoid losses, and only then think about potential gains.” While many of our largest positions did well in the first 10 months of 2006, the key contributor to the strong year is that we have not had any big losing positions. It is our nature to focus on playing defense by only investing in situations in which we think the risk of permanent capital loss is very limited.

### **Thoughts on Selling**

With so many of our positions now sitting on significant gains, we wanted to share with you our thinking about selling. There are no simple formulas that dictate the best time to sell a stock, so we instead weigh four factors.

The first is straightforward – when a stock rises to our estimate of intrinsic value. Let’s say we buy a stock at \$10, thinking it is worth \$18-\$22, with a midpoint of \$20 – a proverbial 50-cent dollar. Assuming no change in intrinsic value, we would likely start trimming the position at \$18 and be out by \$22.

It is critical, however, not to anchor on the original estimate of intrinsic value. If unexpectedly good news is behind the stock reaching \$18, for example, our estimate of value might have risen to \$24-\$28, in which case we likely will continue to hold it. This is a major reason we still own a large position in McDonald’s. We originally thought the shares were worth \$25 or so but, when the stock reached this price, our estimate of intrinsic value had risen to approximately \$35. When it hit \$35, we thought it was worth \$50-\$60, which is why we are still holding at prices in the low \$40s today.

The second reason we sell is when we find a better investment. This might mean selling an 80-cent dollar to buy a 50-cent dollar, or selling a risky stock to buy an equally cheap one we believe to be safe. The latter explains why we sold Lear after it had rallied into the high \$20s. Lear is in a terrible industry and, if US carmakers encounter further distress, Lear will be impacted negatively in ways that are hard to forecast. The stock could double, but we cannot rule out the possibility that it could also go bankrupt someday, as have many of its auto supplier peers. Thus, we took our profits in Lear and reinvested them in Berkshire Hathaway, which we believe is one of the safest companies in the world and which we believed was equally cheap at the time.

Our third reason for selling is if the story on a company materially changes in a negative way. We agree with Greenlight Capital’s David Einhorn when he says: “We never invent new reasons to continue with a position when the original reasons are no longer available.” This situation occurs more frequently in losing stocks, but also happens on occasion with our winners.

Finally, we sometimes trim stocks to balance our portfolio. The “margin of safety” we look for in a security is typically reduced in our big winners as the stock price rises closer to our estimate of fair value, while at the same time the rising price results in that position growing to represent a larger share of our portfolio. In these cases, we often take some profits to better align our view of the risk of the position and its potential impact on our portfolio. We also do this if a particular sector becomes too much of our portfolio.

However, we try not to fall into the trap of consistently selling our winners and buying more of our losers. While this can occasionally be the right thing to do, great investors typically have a gift for finding a few great stocks and having the conviction and courage to let them run. We know many investors who bought Berkshire Hathaway at around \$100, and despite an increase of more than 1,000 times over several decades, they continue to hold the stock! This works only in those special cases where the quality of the business and the management is such that shareholder value increases at a rapid pace over a very long period of time. Such situations happen rarely in an investment lifetime, so if we think we have found a “compounding machine”, we are loath to sell it.

We thank you for your confidence and support and look forward to many years of partnership.

*Investment in the Tilson Focus Fund is subject to investment risks, including, without limitation, 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.*

### **Tilson Dividend Fund**

[This section is written by Zeke Ashton and Matthew Richey, the co-managers of the Tilson Dividend Fund.]

We are pleased with the 2006 fiscal year performance of the Tilson Dividend Fund.

Our strategy is designed for a slow and steady approach to accumulating value through three primary sources: 1) the capital gains associated with the rise in value of our portfolio holdings over time, 2) the dividend income paid out to us by our portfolio companies, and 3) the option premiums we receive from selling out call options against part or all of our holdings of non-dividend paying securities that we find attractive from a valuation standpoint (Please see the Fund’s prospectus for a full discussion on the risks and investment merits of writing covered call options).

We believe the attractiveness of the Tilson Dividend Fund’s strategy lies in its all-weather nature. When the markets are strong, we expect our portfolio holdings to perform strongly and gain in price. We continue to receive dividends from our dividend paying stocks, while the call options we’ve sold (written against our non-dividend paying stocks) generally will cause us to have some portion of our holdings in those securities called

away from us, hopefully at prices that reflect our estimate of fair value of those holdings. This generally results in some natural selling of securities during periods of stock market advancement.

When markets are weak, numerous studies show that high-dividend-paying stocks such as those we own in our portfolio typically outperform non-dividend paying stocks. This is because the attractive dividend yield often provides support to the stock price and, in addition, dividend-paying stocks often benefit from a “flight to quality” dynamic in which investors move from speculative securities to “safe” securities in times of uncertainty. Even in weak markets we expect to continue to receive dividend income from our dividend paying holdings, which we can then re-deploy into those securities that we find most attractive, in an environment in which there are likely to be compelling values. The call options sold against those holdings that do not pay dividends generally decline significantly in value, thus earning us profits that we can then re-deploy to our favorite stock ideas. Finally, should there be an extended period when markets are flat and exhibit neither a strong upward nor downward trend, we expect that the income from dividends and option premiums will allow us to produce acceptable returns that we can re-deploy into compelling new ideas as we identify them.

We believe the natural balance of the factors noted above will tend to smooth out our performance profile over time, while providing long-term returns that we expect will compare favorably to most equity vehicles that offer similar risk profiles. We hope this profile lends itself to long-term compounding for our clients, and we believe it is particularly suitable for building wealth through dollar cost averaging into a tax-advantaged account such as an IRA.

### **Some Thoughts on Performance Benchmarking**

We’d now like to pass on a few thoughts on performance benchmarking, which has become so standard in our industry that perhaps many of us have either forgotten what it means or over-emphasize its importance. In short, we are required to provide you with an investment benchmark that we believe to adequately represent either a similar style or a similar investment approach in order to provide some helpful context in evaluating the Fund’s performance over time. In the case of the Tilson Dividend Fund, we have elected to provide the Dow Jones U.S. Select Dividend Total Return Index as our primary benchmark, though we also provide information on two other broad equity indices, the S&P 500 Total Return Index and the Dow Jones Wilshire 5000 Composite Total Return Index (full cap), which provide some additional flavor on the performance of U.S. equities in general.

The Dow Jones U.S. Select Dividend Total Return Index is made up of 100 leading, widely held dividend-yielding stocks selected on the basis of dividend yield, dividend quality, and liquidity. This index is heavily weighted in those sectors in which companies traditionally pay high dividends – financials, utilities, pharmaceuticals, and branded consumer product companies. The 100 individual component companies are dividend-weighted, rather than market capitalization weighted, but the largest component in the

index is usually no higher than 2.5% of the total, while the smallest components of the index are fractions of 1% of the total. We selected this particular index because we believed that it would represent a natural choice for an investor interested in a broadly diversified portfolio of “blue chip” securities that pay high dividends, which might be a reasonable alternative to investors in our Fund.

Though our objectives may be similar, the Tilson Dividend Fund portfolio does not resemble the benchmark index portfolio. The Tilson Dividend Fund, as of October 31, 2006, consisted of 25 portfolio holdings, the largest of which represented over 6.5% of the portfolio’s asset value, and our ten largest holdings will routinely comprise as much as 40% of our portfolio’s value. In short, we are much more concentrated than our benchmark index, and we would expect to experience more short-term volatility than a 100-stock portfolio filled with bank and utility stocks. Keep in mind that volatility works both ways – it can mean that our portfolio is likely to both increase *and* decrease in value faster than the index. Over time, we believe that the risks of increased shorter-term volatility are balanced by the potential for somewhat higher returns over longer periods of time, and thereby hope to achieve the Fund’s goals of producing attractive overall returns and comparable income without excessive risk over time.

In addition, because of our small size, we own shares of some tiny companies. We will consider companies of any market capitalization so long as we believe they represent good value and otherwise meet our investment criteria. The holdings in the Tilson Dividend Fund as of October 31<sup>st</sup> ranged from about \$20 million in market cap for the smallest to over \$250 billion in market cap for the largest. Similarly, our benchmark index consists solely of U.S. based and listed securities, while the Tilson Dividend Fund owns shares of foreign-based entities with U.S. listed securities in addition to shares of non-U.S. firms listed on foreign exchanges. We believe that the ability to invest across such a broad market cap range and to go outside the U.S. gives us greater opportunity to find bargains. This does not guarantee that our portfolio will produce better returns, only that we have the opportunity to work from a larger selection of candidates.

Additionally, we own several securities that pay little or no dividends, which we have paired with the sale of call options against some or all of the holdings to produce income. Our benchmark portfolio only consists of dividend-paying common stocks. Finally, we are willing to hold cash in the absence of compelling investment ideas, while our benchmark index will likely always be fully invested or nearly so.

These are significant differences between the Tilson Dividend Fund portfolio and our selected index, and will from time to time cause significant divergence in performance, despite the similar objectives of the two portfolios to seek capital growth, income and defensiveness against capital loss.

In summary, our goal in managing the Tilson Dividend Fund is not to “beat” any index over short periods of time, such as a quarter or a year. We concentrate on making the best decisions we can make consistent with our goals, and believe that over time the value of our strategy as it relates to the benchmarks will become apparent. It’s steady, consistent

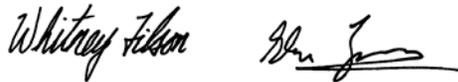
performance over the long run that counts to us, not spectacular performance in one quarter or year.

We try to strike the right balance in the search for income and capital growth, based on a value-oriented philosophy that emphasizes flexibility and opportunism, and we hope to offer our investors a unique investment vehicle that will produce satisfactory returns over the long term with acceptable risk.

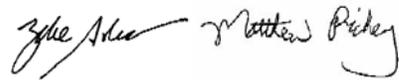
We thank you for your continued confidence in the Tilson Dividend Fund.

*Investment in the Tilson Dividend Fund is subject to investment risks, including, without limitation, 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.*

Sincerely yours,



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



Zeke Ashton and Matthew Richey  
Co-Portfolio Managers, Tilson Dividend Fund

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

*The Dow Jones Wilshire 5000 Composite Total Return Index (full cap) is an index of 5,000 stocks selected according to a methodology developed and administered by Wilshire Associates. The Dow Jones U.S. Select Dividend Total Return Index is an index of 100 dividend-paying stocks selected according to a methodology developed and administered by Dow Jones & Co. The S&P 500 Total Return Index is a Standard & Poor's composite index of 500 stocks and is a widely recognized, unmanaged index of common stock prices. It is not possible to invest in indices (like the Dow Jones Wilshire 5000 Index, S&P 500 Total Return Index, and the U.S. Select Dividend Total Return Index) that are unmanaged and do not incur fees and charges.*

***Statements in this letter that reflect projections or expectations of future financial or economic performance of the Fund and of the market in general and statements of the Fund's plans and objectives for future operations are forward-looking statements. No assurance can be given***

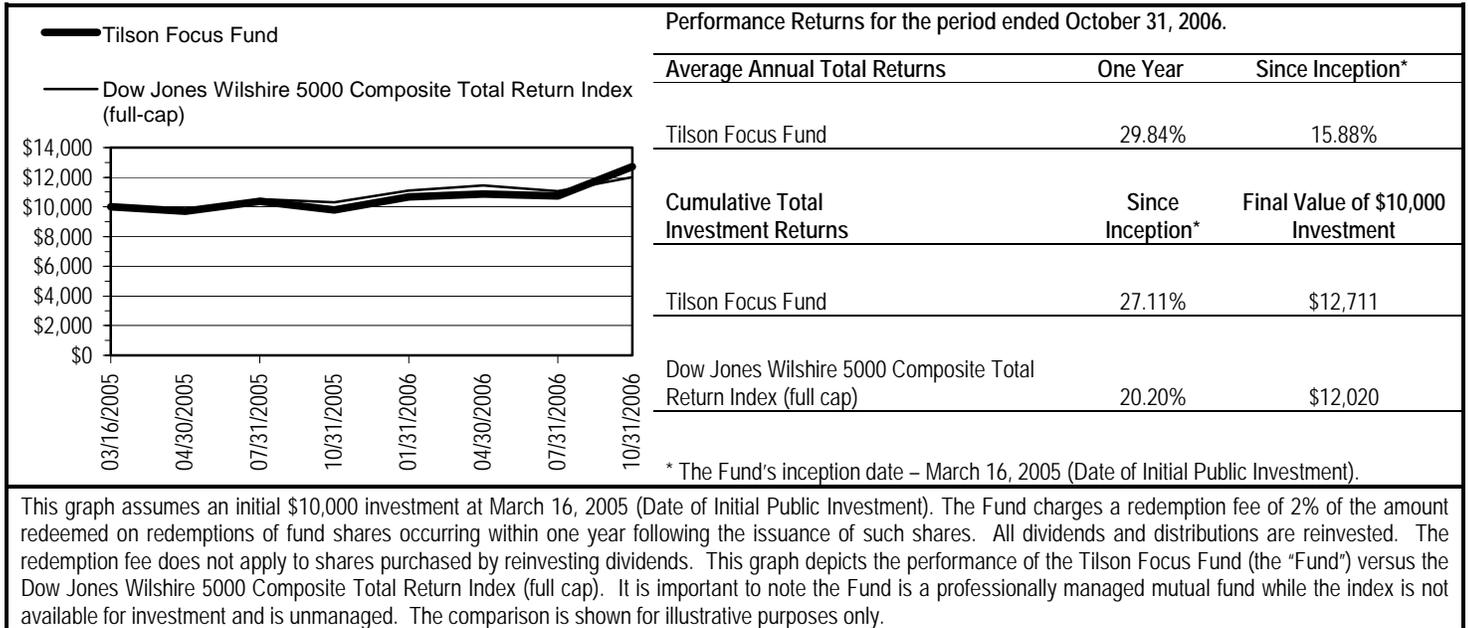
*that actual results or events will not differ materially from those projected, estimated, assumed or anticipated in any such forward-looking statements. Important factors that could result in such differences, in addition to the other factors noted with such forward-looking statements, include general economic conditions such as inflation, recession and interest rates.*

Underwriter and Distributor: Capital Investment Group, Inc.  
116 South Franklin Street, Rocky Mount, NC 27804  
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# Tilson Focus Fund

## Performance Update - \$10,000 Investment (Unaudited)

For the period from March 16, 2005 (Date of Initial Public Investment) to October 31, 2006.



*Performance quoted above represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. An investor may obtain performance data, current to the most recent month-end, by visiting [www.nottinghamco.com](http://www.nottinghamco.com).*

*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. Average annual total returns are historical in nature and measure net investment income and capital gain or loss from portfolio investments assuming reinvestments of dividends.*

## Fund Expenses (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, which may include redemption fees for shares redeemed within one year and (2) ongoing costs, including management 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 example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period as indicated below.

**Actual Expenses** – The first line of the table below provides information about the 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 this period.

**Hypothetical Example for Comparison Purposes** – The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed annual rate of return of 5% 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 by comparing 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 redemption fees for shares redeemed within one year. 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.*

Expense Example	Beginning Account Value May 1, 2006	Ending Account Value October 31, 2006	Expenses Paid During Period*
Actual	\$1,000.00	\$1,171.80	\$11.28
Hypothetical (5% return before expenses)	\$1,000.00	\$1,014.82	\$10.46

\* Actual Expenses are based on expenses incurred in the most recent six-month period. The Fund's annualized six-month expense ratio is 0.45% (exclusive of interest, taxes, brokerage fees and commissions, investment advisory and/or variable performance incentive fees paid to the Advisor, extraordinary expenses, and payments, if any, under a Rule 12b-1 Plan). As a result, the Fund's "Total Annual Fund Operating Expense" (excluding interest, taxes, brokerage fees and commissions, extraordinary expenses, and if any, variable performance incentive fees paid to the Advisor) will be limited to 1.95% of the Fund's average daily net assets. The values under "Expenses Paid During Period" are equal to the annualized expense ratio of 2.06% multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period (184 days), then divided by 365 (to reflect the number of days in the six month period ended October 31, 2006).

# TILSON FOCUS FUND

## Schedule of Investments

As of October 31, 2006

	Shares	Market Value (Note 1)		Contracts	Market Value (Note 1)	
<b>COMMON STOCKS - 78.53%</b>			<b>CALL OPTIONS PURCHASED - 20.07%</b>			
<b>Building Materials - 4.33%</b>			* Anheuser-Busch Co. Inc., 01/20/2007			
* USG Corporation	10,000	\$ 488,900	Strike \$45.00	4,000	\$ 12,800	
<b>Commercial Services - 0.11%</b>			* Anheuser-Busch Co. Inc., 01/20/2007			
* Premier Exhibitions Inc.	2,000	12,120	Strike \$50.00	7,000	4,550	
<b>Computers - 1.94%</b>			* Anheuser-Busch Co. Inc., 01/19/2008			
* Dell Inc.	9,000	218,970	Strike \$35.00	12,500	166,250	
<b>Diversified Financial Services - 4.88%</b>			* Costco Wholesale Corporation, 01/20/2007			
* Western Union Company	25,000	551,250	Strike \$35.00	5,000	95,000	
<b>Holding Company - Diversified - 4.59%</b>			* Foot Locker, Inc., 01/19/2008			
Resource America, Inc.	22,500	517,725	Strike \$20.00	1,500	7,200	
<b>Insurance - 14.60%</b>			* Freddie Mac, 01/20/2007			
* Berkshire Hathaway Inc., Cl B	469	1,648,535	Strike \$65.00	3,000	14,700	
<b>Oil &amp; Gas - 1.70%</b>			* H.J. Heinz Co., 01/20/2007			
Crosstex Energy, Inc.	2,000	191,960	Strike \$30.00	9,000	109,800	
<b>Real Estate Investment Trust - 0.08%</b>			* Laboratory Corporation of American Holdings, 01/20/2007			
Winthrop Realty Trust, Inc.	1,408	8,744	Strike \$40.00	1,000	28,700	
<b>Retail - 37.41%</b>			* McDonald's Corp., 01/20/2007			
α Canadian Tire Corporation, Limited	7,000	450,917	Strike \$25.00	3,000	51,300	
* Celebrate Express, Inc.	43,000	562,010	* McDonald's Corp., 01/20/2007	Strike \$30.00	4,000	47,600
CKE Restaurants, Inc.	8,500	166,090	* McDonald's Corp., 01/19/2008	Strike \$30.00	2,500	32,000
Costco Wholesale Corporation	5,800	309,604	* Microsoft Corp., 01/19/2008	Strike \$25.00	40,000	216,000
Foot Locker Inc.	20,500	475,395	* Tyco International, 01/19/2008	Strike \$20.00	32,000	326,400
McDonald's Corporation	34,800	1,458,816	* Wal-Mart Stores Inc., 01/20/2007	Strike \$45.00	16,700	82,665
* Pacific Sunwear of California, Inc.	17,200	303,064	* Wal-Mart Stores Inc., 01/20/2007	Strike \$50.00	7,000	11,550
α Sears Canada Inc.	13,000	254,675	* Wal-Mart Stores Inc., 01/19/2008	Strike \$40.00	10,000	115,000
Tim Hortons, Inc.	1,404	40,576	* Wal-Mart Stores Inc., 01/19/2008	Strike \$35.00	4,000	63,200
Wal-Mart Stores, Inc.	3,400	167,552	* Wendy's International Inc., 01/20/2007	Strike \$35.00	7,000	270,200
Wendy's International, Inc.	1,000	34,600	* Wendy's International Inc., 01/20/2007	Strike \$40.00	3,800	128,060
		4,223,299				
<b>Software - 8.89%</b>						
Microsoft Corporation	35,000	1,004,850				
<b>Total Common Stocks (Cost \$7,647,704)</b>		<b>8,866,353</b>				

(Continued)

# TILSON FOCUS FUND

## Schedule of Investments

As of October 31, 2006

	Contracts/ Shares	Market Value (Note 1)
<b>CALL OPTIONS PURCHASED - (Continued)</b>		
* Wendy's International Inc., 01/20/2007		
Strike \$50.00	20,000	\$ 478,000
* Whirlpool Corporation, 01/20/2007		
Strike \$60.00	200	5,400
<b>Total Call Options Purchased</b>		
<b>(Cost \$1,496,560)</b>		<b>2,266,375</b>
<b>INVESTMENT COMPANY - 3.97%</b>		
Evergreen Institutional Money Market Fund		
<b>(Cost \$447,930)</b>	447,930	447,930
<b>Total Investments (Cost \$9,592,194) - 102.57%</b>		<b>\$ 11,580,658</b>
<b>Liabilities in Excess of Other Assets - (2.57)%</b>		<b>(290,637)</b>
<b>Net Assets - 100.00%</b>		<b>\$ 11,290,021</b>

\* Non-income producing investment.

α Canadian security - total of which represents 6.25% of Net Assets.

### Summary of Investments by Industry

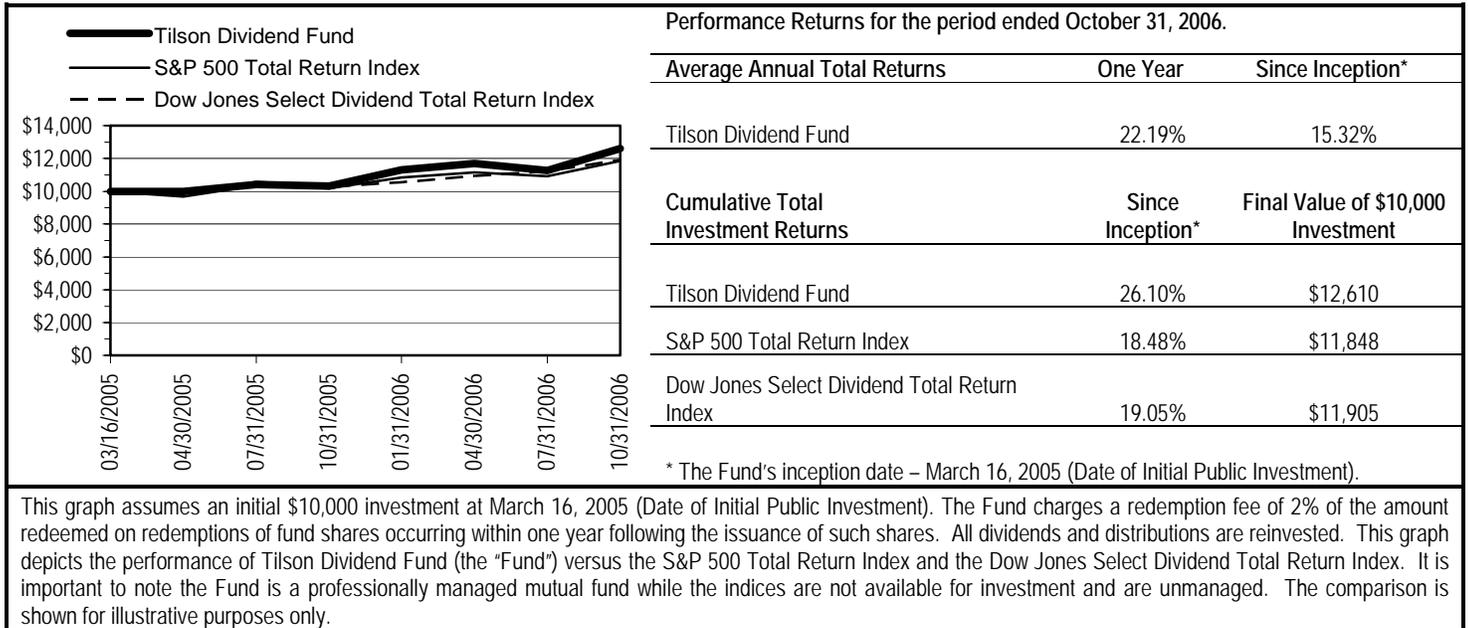
<i>Industry</i>	<i>% of Net Assets</i>	<i>Market Value</i>
Building Materials	4.33%	\$ 488,900
Beverages	1.62%	183,600
Commercial Services	0.11%	12,120
Computers	1.94%	218,970
Diversified Financial Services	5.01%	565,950
Food	0.97%	109,800
Holding Company - Diversified	4.59%	517,725
Home Furnishings	0.05%	5,400
Insurance	14.60%	1,648,535
Investment Company	3.97%	447,930
Medical	0.25%	28,700
Oil & Gas	1.70%	191,960
Real Estate Investment Trust	0.08%	8,744
Retail	52.54%	5,931,474
Software	10.81%	1,220,850
<b>Total</b>	<b>102.57%</b>	<b>\$ 11,580,658</b>

See Notes to Financial Statements

# Tilson Dividend Fund

## Performance Update - \$10,000 Investment (Unaudited)

For the period from March 16, 2005 (Date of Initial Public Investment) to October 31, 2006.



Performance quoted above represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. An investor may obtain performance data, current to the most recent month-end, by visiting [www.nottinghamco.com](http://www.nottinghamco.com).

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. Average annual total returns are historical in nature and measure net investment income and capital gain or loss from portfolio investments assuming reinvestments of dividends.

## Fund Expenses (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, which may include redemption fees for shares redeemed within one year and (2) ongoing costs, including management 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 example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period as indicated below.

**Actual Expenses** – The first line of the table below provides information about the 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 this period.

**Hypothetical Example for Comparison Purposes** – The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed annual rate of return of 5% 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 by comparing 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 redemption fees for shares redeemed within one year. 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.

Expense Example	Beginning Account Value May 1, 2006	Ending Account Value October 31, 2006	Expenses Paid During Period*
Actual	\$1,000.00	\$1,077.80	\$10.21
Hypothetical (5% return before expenses)	\$1,000.00	\$1,015.38	\$9.91

\* Actual Expenses are based on expenses incurred in the most recent six-month period. The Fund's annualized six-month expense ratio is 0.45% (exclusive of interest, taxes, brokerage fees and commissions, investment advisory fees paid to the Advisor, extraordinary expenses, and payments, if any, under a Rule 12b-1 Plan). As a result, the Fund's "Total Annual Fund Operating Expense" (excluding interest, taxes, brokerage fees and commissions, and extraordinary expenses) will be limited to 1.95% of the Fund's average daily net assets. The values under "Expenses Paid During Period" are equal to the annualized expense ratio of 1.95% multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period (184 days), then divided by 365 (to reflect the number of days in the six month period ended October 31, 2006).

# Tilson Dividend Fund

## Schedule of Investments

As of October 31, 2006

	Shares	Market Value (Note 1)		Shares	Market Value (Note 1)	
<b>COMMON STOCKS - 81.58%</b>			<b>Retail - 22.38%</b>			
<b>Auto Parts &amp; Equipment - 0.74%</b>			Ark Restaurants Corp.			
MileMarker International, Inc.	20,975	\$ 49,291		4,502	\$ 125,471	
<b>Commercial Services - 0.92%</b>			Barnes & Noble, Inc.			
Collectors Universe, Inc.	4,400	61,424		5,500	227,205	
<b>Diversified Financial Services - 2.84%</b>			Costco Wholesale Corporation			
Hennessy Advisors, Inc.	2,195	52,570		6,300	336,294	
W.P. Stewart & Co. Ltd.	9,900	136,620		* P.F. Chang's China Bistro, Inc. †	6,900	288,558
		189,190		* Sears Holdings Corporation †	1,600	279,152
<b>Electronics - 3.02%</b>			The Home Depot, Inc.			
Mesa Laboratories, Inc.	11,200	200,816			6,200	231,446
<b>Food - 4.33%</b>						
μ Tesco PLC	12,800	288,000	1,488,126			
<b>Healthcare - Services - 1.34%</b>			<b>Software - 5.57%</b>			
* Laboratory Corporation of America Holdings †	1,300	89,037	Microsoft Corporation			
<b>Insurance - 11.26%</b>						
Fidelity National Title Group, Inc.	19,800	435,798	*Ω Oesterreichische Post AG			
First American Corporation	4,400	179,652				
Stewart Information Services Corporation	3,600	133,416				
		748,866	<b>Total Common Stocks (Cost \$4,824,596)</b>			
<b>Internet - 11.77%</b>						
* eBay Inc. †	11,800	379,134	5,425,393			
* Netflix Inc. †	14,600	403,836	<b>LIMITED PURPOSE TRUSTS - 5.55%</b>			
		782,970	α AG Growth Income Fund			
<b>Mining - 8.50%</b>			α Sleep Country Canada Income Fund			
Newmont Mining Corporation	6,800	307,836				
* PAN American Silver Corporation †	11,600	257,056				
		564,892	<b>Total Limited Purpose Trusts (Cost \$284,157)</b>			
<b>Oil &amp; Gas - 5.60%</b>						
Precision Drilling Trust	13,000	372,580	368,878			
			<b>INVESTMENT COMPANIES - 9.10%</b>			
			Evergreen Institutional Money Market Fund			
			Merrimac Cash Series Fund			
			<b>Total Investment Companies (Cost \$605,082)</b>			
			605,082			
			<b>Total Investments (Cost \$5,713,835) - 96.23%</b>			
			\$ 6,399,353			
			<b>Other Assets less Liabilities - 3.77%</b>			
			250,935			
			<b>Net Assets - 100.00%</b>			
			\$ 6,650,288			

\* Non-income producing investment.

μ ADR.

α Canadian security.

Ω Austrian security.

† Portion of the security is pledged as collateral for call options written.

(Continued)

# Tilson Dividend Fund

## Schedule of Investments

As of October 31, 2006

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The following acronyms and abbreviations are used in this portfolio:

ADR - American Depositary Receipt.

PLC - Public Limited Company (British).

AG - Aktiengesellschaft (Austrian).

### Summary of Investments by Industry

<i>Industry</i>	<i>% of Net Assets</i>	<i>Market Value</i>
Auto Parts & Equipment	0.74%	\$ 49,291
Comercial Services	0.92%	61,424
Diversified Financial Services	2.84%	189,190
Electronics	3.02%	200,816
Food	4.33%	288,000
Healthcare - Services	1.34%	89,037
Insurance	11.26%	748,866
Internet	11.77%	782,970
Investment Companies	9.10%	605,082
Limited Purpose Trusts	5.55%	368,878
Mining	8.50%	564,892
Oil & Gas	5.60%	372,580
Retail	22.38%	1,488,126
Software	5.57%	370,359
Transportation	3.31%	219,842
<b>Total</b>	<b>96.23%</b>	<b>\$ 6,399,353</b>

### Summary of Investments by Country

<i>Country</i>	<i>% of Net Assets</i>	<i>Market Value</i>
Austria	3.31%	\$ 219,842
Canada	5.55%	368,878
United States	87.37%	5,810,633
<b>Total</b>	<b>96.23%</b>	<b>\$ 6,399,353</b>

See Notes to Financial Statements

# Tilson Dividend Fund

## Call Options Written

As of October 31, 2006

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	Shares Subject to Call	Market Value (Note 1)
<b>Common Stocks, Expiration Date, Exercise Price</b>		
* eBay Inc., 1/20/2007		
Strike \$30.00	5,900	\$ 21,830
* Laboratory Corporation of America Holdings, 2/17/07		
Strike \$70.00	600	1,440
* Netflix Inc., 3/17/2007		
Strike \$25.00	2,400	10,800
* PAN American Silver Corporation, 4/21/2007		
Strike \$20.00	3,200	12,160
* P.F. Chang's China Bistro, Inc., 4/21/2007		
Strike \$45.00	3,400	11,900
* Sears Holding Corp, 1/20/2007		
Strike \$160.00	400	8,120
Strike \$155.00	800	19,200
* Sears Holding Corp, 3/17/2007		
Strike \$175.00	400	6,160
<b>Total (Premiums Received \$45,988)</b>		<b>\$ 91,610</b>

See Notes to Financial Statements

# Tilson Funds

## Statements of Assets and Liabilities

<i>As of October 31, 2006</i>	<i>Focus Fund</i>	<i>Dividend Fund</i>
<b>Assets:</b>		
Investments, at cost	\$ 9,592,194	\$ 5,713,835
Investments, at value ( <i>note 1</i> )	\$ 11,580,658	\$ 6,399,353
Cash	-	251,888
Receivables:		
Investments sold	-	123,283
Fund shares sold	4,946	433
Dividends and interest, at value ( <i>note 1</i> )	3,001	10,840
Prepaid expenses:		
Fund accounting fees	2,250	2,250
Compliance services fees	737	646
Other expenses	12,967	11,948
Due from affiliates:		
Advisor ( <i>note 2</i> )	-	7,665
<b>Total Assets</b>	<b>11,604,559</b>	<b>6,808,306</b>
<b>Liabilities:</b>		
Call options written, at value (Premiums received \$45,988)	-	91,610
Payables:		
Investments purchased	292,997	50,729
Disbursements in excess of cash on demand deposit	25	-
Due to affiliates:		
Advisor ( <i>note 2</i> )	5,457	-
Accrued expenses	16,059	15,679
<b>Total Liabilities</b>	<b>314,538</b>	<b>158,018</b>
<b>Net Assets</b>	<b>\$ 11,290,021</b>	<b>\$ 6,650,288</b>
<b>Net Assets Consist of:</b>		
Capital (par value and paid in surplus)	\$ 9,160,939	\$ 5,508,701
Undistributed net investment income	-	20,752
Undistributed net realized gain on investments	140,618	480,939
Net unrealized appreciation in investments	1,988,464	639,896
<b>Total Net Assets</b>	<b>\$ 11,290,021</b>	<b>\$ 6,650,288</b>
Shares Outstanding, \$0.001 par value (unlimited authorized shares)	895,003	527,586
Net Asset Value, Maximum Offering Price and Redemption Price Per Share (a)	\$ 12.61	\$ 12.61

(a) The Fund charges a redemption fee of 2% of the amount redeemed on redemptions of fund shares occurring within one year following the issuance of such shares.

See Notes to Financial Statements

# Tilson Funds

## Statements of Operations

<i>For the fiscal year ended October 31, 2006</i>	<i>Focus Fund</i>	<i>Dividend Fund</i>
Investment Income:		
Interest	\$ 21	\$ -
Dividends	90,947	128,350
Foreign withholding tax	(307)	(6,020)
<b>Total Income</b>	<b>90,661</b>	<b>122,330</b>
Expenses:		
Advisory fees (note 2)	135,556	78,577
Administration fees (note 2)	15,161	9,167
Transfer agent fees (note 2)	21,000	21,000
Registration and filing administration fees (note 2)	8,038	8,038
Fund accounting fees (note 2)	27,866	27,524
Compliance services fees (note 2)	7,750	7,750
Custody fees (note 2)	5,307	5,381
Other accounting fees (note 2)	8,839	14,833
Legal fees	13,706	13,631
Audit and tax preparation fees	12,645	12,645
Registration and filing expenses	13,830	13,460
Shareholder servicing expenses	3,860	3,724
Printing expenses	2,423	1,820
Trustees' fees and meeting expenses	9,617	6,433
Securities pricing fees	3,450	3,136
Other operating expenses	11,977	10,704
<b>Total Expenses</b>	<b>301,025</b>	<b>237,823</b>
Expenses reimbursed by Advisor (note 2)	(126,485)	(135,673)
<b>Net Expenses</b>	<b>174,540</b>	<b>102,150</b>
<b>Net Investment (Loss) Income</b>	<b>(83,879)</b>	<b>20,180</b>
Net Realized and Unrealized Gain from Investments and Foreign Currency:		
Net realized gain from:		
Investments	178,993	420,616
Options	48,572	82,301
Foreign currency transactions	22	572
Change in unrealized appreciation on investments and translation of assets and liabilities in foreign currencies	2,158,379	524,818
<b>Net Realized and Unrealized Gain on Investments</b>	<b>2,385,966</b>	<b>1,028,307</b>
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>\$ 2,302,087</b>	<b>\$ 1,048,487</b>

See Notes to Financial Statements

# Tilson Funds

## Statements of Changes in Net Assets

<i>For the period or fiscal year ended October 31,</i>	<b>Focus Fund</b>	
	2006	2005 (a)
Operations:		
Net investment loss	\$ (83,879)	\$ (38,413)
Net realized gain from investment transactions and foreign currency translations	179,015	88,666
Net realized gain (loss) from options	48,572	(318)
Change in unrealized appreciation on investments and translation of assets and liabilities in foreign currencies	2,158,379	(169,915)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>2,302,087</b>	<b>(119,980)</b>
Distributions to Shareholders: <i>(note 5)</i>		
Net realized gain from investment transactions	(53,025)	-
<b>Decrease in Net Assets Resulting from Distributions</b>	<b>(53,025)</b>	<b>-</b>
Capital Share Transactions: <i>(note 8)</i>		
Shares sold	3,582,885	6,339,511
Redemption fees	7,645	789
Reinvested dividends and distributions	50,767	-
Shares repurchased	(874,596)	(46,062)
<b>Increase from Capital Share Transactions</b>	<b>2,766,701</b>	<b>6,294,238</b>
<b>Net Increase in Net Assets</b>	<b>5,015,763</b>	<b>6,174,258</b>
Net Assets:		
Beginning of Period	6,274,258	100,000
<b>End of Period</b>	<b>\$ 11,290,021</b>	<b>\$ 6,274,258</b>
<b>Undistributed Net Investment Income</b>	<b>\$ -</b>	<b>\$ -</b>

<i>For the period or fiscal year ended October 31,</i>	<b>Dividend Fund</b>	
	2006	2005 (a)
Operations:		
Net investment income (loss)	\$ 20,180	\$ (2,269)
Net realized gain from investment transactions and foreign currency translations	421,188	16,589
Net realized gain (loss) from options	82,301	(38,504)
Change in unrealized appreciation on investments and translation of assets and liabilities in foreign currencies	524,818	115,078
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>1,048,487</b>	<b>90,894</b>
Capital Share Transactions: <i>(note 8)</i>		
Shares sold	1,987,238	3,794,495
Redemption fees	1,779	-
Shares repurchased	(221,965)	(50,640)
<b>Increase from Capital Share Transactions</b>	<b>1,767,052</b>	<b>3,743,855</b>
<b>Net Increase in Net Assets</b>	<b>2,815,539</b>	<b>3,834,749</b>
Net Assets:		
Beginning of Period	3,834,749	-
<b>End of Period</b>	<b>\$ 6,650,288</b>	<b>\$ 3,834,749</b>
<b>Undistributed Net Investment Income</b>	<b>\$ 20,752</b>	<b>\$ -</b>

(a) For the period from March 16, 2005 (Date of Initial Public Investment) to October 31, 2005.

See Notes to Financial Statements

# Tilson Funds

## Financial Highlights

For a share outstanding during the  
fiscal year or period ended October 31,

	<b>Focus Fund</b>	
	2006	2005 (a)
Net Asset Value, Beginning of Period	\$ 9.79	\$ 10.00
Income (Loss) from Investment Operations:		
Net investment loss	(0.09)	(0.06)
Net realized and unrealized gain (loss) on securities and foreign currency translations	2.98	(0.15)
<b>Total from Investment Operations</b>	<b>2.89</b>	<b>(0.21)</b>
Less Distributions:		
Distributions (from capital gains)	(0.08)	-
<b>Total Distributions</b>	<b>(0.08)</b>	<b>-</b>
Paid in Capital:		
Paid in capital (from redemption fees) (note 1)	0.01	0.00 (e)
<b>Total Paid in Capital</b>	<b>0.01</b>	<b>0.00 (e)</b>
Net Asset Value, End of Period	\$ 12.61	\$ 9.79
Total Return (c)	29.74%	(2.10%)
Net Assets, End of Period (in thousands)	\$11,290	\$ 6,274
Average Net Assets for the Period (in thousands)	\$ 8,663	\$ 4,558
Ratio of Gross Expenses to Average Net Assets (d)	3.47%	6.22% (b)
Ratio of Net Expenses to Average Net Assets (d)	2.01%	1.95% (b)
Ratio of Net Investment Loss to Average Net Assets	(0.97%)	(1.33%) (b)
Portfolio Turnover Rate	84.67%	79.96%

For a share outstanding during the  
fiscal year or period ended October 31,

	<b>Dividend Fund</b>	
	2006	2005 (a)
Net Asset Value, Beginning of Period	\$ 10.32	\$ 10.00
Income from Investment Operations:		
Net investment income (loss)	0.04	(0.01)
Net realized and unrealized gain on securities and foreign currency translations	2.25	0.33
<b>Total from Investment Operations</b>	<b>2.29</b>	<b>0.32</b>
Paid in Capital:		
Paid in capital (from redemption fees) (note 1)	0.00 (e)	-
<b>Total Paid in Capital</b>	<b>0.00 (e)</b>	<b>-</b>
Net Asset Value, End of Period	\$ 12.61	\$ 10.32
Total Return (c)	22.19%	3.20%
Net Assets, End of Period (in thousands)	\$ 6,650	\$ 3,835
Average Net Assets for the Period (in thousands)	\$ 5,238	\$ 2,559
Ratio of Gross Expenses to Average Net Assets (d)	4.54%	9.52% (b)
Ratio of Net Expenses to Average Net Assets (d)	1.95%	1.95% (b)
Ratio of Net Investment Income (Loss) to Average Net Assets	0.39%	(0.14%) (b)
Portfolio Turnover Rate	99.10%	31.13%

(a) For the period from March 16, 2005 (Date of Initial Public Investment) to October 31, 2005.

(b) Annualized.

(c) Total Return does not reflect sales charge.

(d) The expense ratios listed above reflect total expenses prior to any reimbursements (gross expense ratio) and after any reimbursements (net expense ratio).

(e) Actual amount is less than \$0.01 per share.

See Notes to Financial Statements

# Tilson Funds

## Notes to Financial Statements

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### 1. Organization and Significant Accounting Policies

The Tilson Focus Fund and the Tilson Dividend Fund (collectively the "Funds" and individually a "Fund") are series funds. The Funds are part of The Tilson Investment Trust (the "Trust"), which was organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940 (the "1940 Act"), as amended, as an open-ended management investment company. Each of the Funds in this report are classified as non-diversified as defined in the 1940 Act.

The Tilson Focus Fund (the "Focus Fund") commenced operations on March 16, 2005. The investment objective of the Fund is to seek long-term capital appreciation through investment in equity securities of companies that the Advisor believes are undervalued in the securities market.

The Tilson Dividend Fund (the "Dividend Fund") commenced operations on March 16, 2005. The investment objective of the Fund is to seek maximum total return through a combination of capital appreciation and current income. The Fund invests in common stocks of companies that the Advisors believe to be undervalued in their respective markets, but which also offer high dividend yields relative to the average yields of the broad market.

The following accounting policies have been consistently followed by the Funds and are in conformity with accounting principles generally accepted in the United States of America in the investment company industry.

#### *Investment Valuation*

The Funds' investments in securities are carried at value. Securities listed on an exchange or quoted on a national market system are valued at the last sales price as of 4:00 p.m. Eastern Time. Securities traded in the NASDAQ over-the-counter market are generally valued at the NASDAQ Official Closing Price. Other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the most recent bid price. Securities and assets for which representative market quotations are not readily available or which cannot be accurately valued using the Funds' normal pricing procedures are valued at fair value as determined in good faith under policies approved by the Trustees. Fair value pricing may be used, for example, in situations where (i) a portfolio security is so thinly traded that there have been no transactions for that security over an extended period of time; (ii) the exchange on which the portfolio security is principally traded closes early; or (iii) trading of the

portfolio security is halted during the day and does not resume prior to the Funds' net asset value calculation. A portfolio security's "fair value" price may differ from the price next available for that portfolio security using the Funds' normal pricing procedures. Instruments with maturities of 60 days or less are valued at amortized cost, which approximates market value.

#### *Foreign Currency Translation*

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. Purchases and sales of securities and income items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

#### *Investment Transactions and Investment Income*

Investment transactions are accounted for as of the date purchased or sold (trade date). Dividend income is recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded as soon as the Trust is informed of the dividend if such information is obtained subsequent to the ex-dividend date. Interest income is recorded on the accrual basis and includes amortization of discounts and premiums. Gains and losses are determined on the identified cost basis, which is the same basis used for federal income tax purposes.

#### *Option Writing*

When the Funds write an option, an amount equal to the premium received by the Funds is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Funds on the expiration date as realized gains from investments. The difference between the premium and

(Continued)

# Tilson Funds

## Notes to Financial Statements

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the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain or loss (depending on if the premium is less than the amount paid for the closing purchase transaction). If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Funds have realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Funds. The Funds, as the writer of an option, bear the market risk of an unfavorable change in the price of the security underlying the written option.

### *Expenses*

The Funds bear expenses incurred specifically on its behalf as well as a portion of general Trust expenses, which may be allocated on the basis of relative net assets or the nature of the services performed relative to applicability to each Fund.

### *Dividend Distributions*

The Funds may declare and distribute dividends from net investment income (if any) at the end of each calendar quarter. Distributions from capital gains (if any) are generally declared and distributed annually.

### *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amount of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimates.

### *Fees on Redemptions*

The Funds charge a redemption fee of 2.00% of the amount redeemed on redemptions of Funds' shares occurring within one year following the issuance of such shares. The Redemption Fee is not a fee to finance sales or sales promotion expenses, but is paid to the Funds to defray the costs of liquidating an investor and discouraging short-term trading of the Funds' shares. No Redemption Fee will be imposed on the redemption of shares representing dividends or capital gains distributions, or on amounts representing capital appreciation of shares. The redemption fees charged for the fiscal year ended October 31, 2006 are \$7,645 and \$1,779 for the Focus Fund and Dividend Fund, respectively.

### *Federal Income Taxes*

No provision for income taxes is included in the accompanying financial statements, as the Funds intend to distribute to shareholders all taxable investment income and realized gains and otherwise comply with Subchapter M of the Internal Revenue Code applicable to regulated investment companies.

## **2. Transactions with Affiliates**

### *Advisor (Both Funds)*

The Funds pay a monthly advisory fee to T2 Partners Management L.P. (the "Advisor") based upon the average daily net assets of each Fund. The Advisor has entered into contractual agreements ("Expense Limitation Agreement") with the Funds under which it has agreed to reduce the amount of the investment advisory fee to be paid to the Advisor by the Funds for certain months and to assume other expenses of each of the Funds, if necessary, in an amount that limits the Funds' total operating expenses (exclusive of interest, taxes, brokerage fees and commissions, investment advisory and/or variable performance incentive fees paid to the Advisor, extraordinary expenses, and payments, if any, under a Rule 12b-1 Plan) to not more than a specified percentage of the average daily assets of each Fund for the current fiscal year. There can be no assurance the Expense Limitation Agreement will continue in the future. The expense limitation percentages for the fiscal year ended October 31, 2006 were 0.45% for each fund. The expenses reimbursed during this period are \$126,485 and \$135,673, for the Focus Fund and Dividend Fund, respectively.

### *Advisor (Focus Fund)*

As full compensation for investment advisory services, the Advisor receives monthly compensation in the form of a Variable Advisory Fee. The fee is comprised of two component fees: (i) a fixed rate of 1.50% of the average daily net assets of the Focus Fund ("Fulcrum Fee") and (ii) a performance incentive fee ("Performance Fee").

The Fulcrum Fee is calculated by multiplying 1.50% by the average net assets of the Focus Fund for the fiscal year to date divided by the number of days in the year multiplied by the number of days in the calendar month. The Performance Fee is calculated by multiplying the "Performance Adjustment Rate" (as described below) by the average daily net assets of the Focus Fund over the Measuring Period. While the Performance Fee is calculated on the 12-month Measuring Period, it is prorated to a monthly payment to correspond with the Focus Fund's monthly payment of the Variable Advisory Fee.

*(Continued)*

# Tilson Funds

## Notes to Financial Statements

The Performance Adjustment Rate will vary with the Focus Fund's performance as compared to the performance of the Wilshire 5000 Index as published on the close of the market on the last day of the Measuring Period, with dividends reinvested, and will range from -0.45% to +0.45%. The Performance Adjustment Rate will be calculated at 4.50% of the cumulative difference between the performance of the Focus Fund and that of the Wilshire 5000 Index over the Measuring Period, except that no performance adjustment will be paid if the cumulative difference between the Focus Fund's performance and that of the Wilshire 5000 index is +/- 2.00%. The factor of 4.50% is derived from the fact that the Advisor will achieve the maximum / minimum Performance Adjustment Rate when the cumulative total return difference between the Focus Fund and the Wilshire 5000 Index is +/- 10.00% over the Measuring Period (i.e., 0.45% divided by 10.00%=4.50%). During the first full twelve calendar months following the effective date of the Trust's registration statement, the Advisor is entitled to receive only the Fulcrum Fee. Performance fees earned for the fiscal year ended October 31, 2006 was \$5,608.

### Advisor (Dividend Fund)

As full compensation for the investment advisory services provided to the Dividend Fund, the Advisor receives monthly compensation based on the Dividend Fund's average daily net assets at the annual rate of 1.50%.

### Sub-Advisor (Dividend Fund)

The Dividend Fund's sub-advisor is Centaur Capital Partners, L.P., ("Sub-Advisor"). The Sub-Advisor serves in that capacity pursuant to an investment sub-advisory contract with the Advisor as approved by the Trustees. The Sub-Advisor, with oversight from the Advisor, makes day-to-day investment decisions for the Dividend Fund and selects broker-dealers for executing portfolio transactions, subject to the brokerage policies established by the Trustees.

For its sub-advisory services to the Dividend Fund, the Sub-Advisor receives from the Advisor quarterly compensation based on the Dividend Fund's average

daily net assets at the rate of 0.75% less certain of the Advisor's marketing and operating expenses, as agreed to between the Advisor and Sub-Advisor. The Sub-Advisor has also agreed to allow the Advisor to withhold from that compensation up to one-half of the Advisor's expenses under the Expense Limitation Agreement as it relates to the Dividend Fund. The Dividend Fund does not pay a direct fee to the Sub-Advisor.

### Administrator

The Funds pay a monthly administration fee to The Nottingham Company (the "Administrator") based upon the average daily net assets of each Fund and calculated at the annual rates as shown in the following schedule which is subject to a minimum of \$2,000 per month per Fund. The Administrator also receives a fee to procure and pay the custodian for the Funds, additional compensation for fund accounting and recordkeeping services, and additional compensation for certain costs involved with the daily valuation of securities and as reimbursement for out-of-pocket expenses. A breakdown of these is provided in the schedule below.

### Compliance Services

The Nottingham Compliance Services, LLC, a fully owned affiliate of The Nottingham Company, provides services which assists the Trust's Chief Compliance Officer in monitoring and testing the policies and procedures of the Trust in conjunction with requirements under Rule 38a-1 of the Securities and Exchange Commission. It receives compensation for this service at an annual rate of \$7,750 per fund.

### Transfer Agent

North Carolina Shareholder Services, LLC ("Transfer Agent") serves as transfer, dividend paying, and shareholder servicing agent for the Funds. It receives compensation for its services based upon \$15 per shareholder per year, subject to a minimum fee of \$1,750 per month per fund.

Certain Trustees and officers of the Trust are also officers of the Advisor, the Distributor or the Administrator.

	Administration Fees (1)		Custody fees (1)		Fund Accounting Fees (monthly)	Fund Accounting Fees	Blue Sky Administration Fees (annual)
	Average Net Assets	Annual Rate	Average Net Assets	Annual Rate			
All Funds	First \$50 million	0.175%	First \$100 million	0.020%	\$2,250	0.01%	\$150 per state
	Next \$50 million	0.150%	Over \$100 million	0.009%			
	Next \$50 million	0.125%					
	Next \$50 million	0.100%					
	Over \$200 million	0.075%					

(1) Minimum monthly fees of \$2,000 and \$400 for Administration and Custody fees, respectively.

(Continued)

# Tilson Funds

## Notes to Financial Statements

### 3. Purchases and Sales of Investment Securities

For the fiscal year ended October 31, 2006, the aggregate cost of purchases and proceeds from sales of investment securities (excluding short-term securities) were as follows:

<i>Fund</i>	<i>Purchases of Securities</i>	<i>Proceeds from Sales of Securities</i>
Focus Fund	\$9,814,942	\$6,525,364
Dividend Fund	\$5,882,617	\$4,457,474

There were no long-term purchases or sales of U.S Government Obligations during the fiscal year ended October 31, 2006.

### 4. Options Written

As of October 31, 2006, portfolio securities valued at \$789,297 were held in escrow by the custodian to cover call options written by the Dividend Fund.

<i>Option Contracts Written for the fiscal year ended October 31, 2006 (Dividend Fund only).</i>	<i>Number of Contracts</i>	<i>Premiums Received</i>
Options Outstanding, Beginning of Year	475	\$60,551
Options written	2,029	335,330
Options closed	(2,075)	(333,501)
Options exercised	(258)	(16,392)
Options expired	-	-
Options Outstanding, End of Year	171	\$45,988

### 5. Federal Income Tax

The tax components of capital shown on the following tables represent: (1) distribution requirements the Fund must satisfy under the income tax regulations, (2) permanent differences between the financial statement and income tax reporting requirements, and (3) unrealized appreciation or depreciation of investments for federal income tax purposes as of October 31, 2006.

Book to tax differences in the current period primarily consist of capital loss deferrals on wash sales and different book tax treatment of short-term capital gains and 988 gain.

**Table 1**

<i>Funds</i>	<i>Undistributed Ordinary Income</i>	<i>Long-Term Gains</i>	<i>Net Tax Appreciation/ (Depreciation)</i>
Focus Fund	\$121,230	\$38,557	\$1,969,295
Dividend Fund	\$394,244	\$113,475	\$633,868

As a result of permanent differences between the financial statement and income tax reporting requirements, the reclassifications, shown in the following table, were made for the fiscal year ended October 31, 2006. These reclassifications had no effect on the net assets or the asset value of the Funds.

**Table 2**

<i>Fund</i>	<i>Paid-in Capital</i>	<i>Increase (Decrease) in Undistributed</i>	
		<i>Net Investment Income</i>	<i>Net Realized Gain (Loss) on Investments</i>
Focus	\$ -	\$83,879	(\$83,879)
Dividend	\$ -	\$572	(\$572)

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment securities for federal income tax purposes as of October 31, 2006, are shown in table below.

**Table 3**

<i>Fund</i>	<i>Federal Tax</i>	<i>Aggregate Gross Unrealized</i>	
		<i>Appreciation</i>	<i>Depreciation</i>
Focus Fund	\$9,611,363	\$2,138,214	(\$168,919)
Dividend Fund	\$5,673,875	\$797,929	(\$164,061)

The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These differences are due to differing treatments for items such as net short-term gains, deferral of wash sale losses, foreign currency transactions, and net investment losses. Permanent differences such as tax returns of capital and net investment losses, if any, would be reclassified against capital.

(Continued)

# Tilson Funds

## Notes to Financial Statements

For the fiscal year or period ended October 31, Fund	Distributions from			
	Ordinary Income		Long-Term Capital Gains	
	2006	2005	2006	2005
Focus Fund	\$53,025	\$ -	\$ -	\$ -
Dividend Fund	\$ -	\$ -	\$ -	\$ -

### 6. Commitments and Contingencies

Under the Funds' organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds entered into contracts with their vendors and others that provide for general indemnifications. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds. The Funds expect that risk of loss to be remote.

### 7. New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement on Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements". This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosure about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those

### 8. Capital Share Transactions

For the fiscal year or period ended October 31,	Focus Fund		Dividend Fund	
	2006	2005 (1)	2006	2005 (1)
Transactions in Capital Shares				
Shares sold	331,519	635,904	175,210	376,648
Reinvested distributions	4,803	-	-	-
Shares repurchased	(82,428)	(4,795)	(19,253)	(5,019)
Net Increase in Capital Shares	253,894	631,109	155,957	371,629
Shares Outstanding, Beginning of Period	641,109	10,000	371,629	-
Shares Outstanding, End of Period	895,003	641,109	527,586	371,629

(1) For the period from March 16, 2005 (Date of Initial Public Investment) through October 31, 2005.

fiscal years. The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of October 31, 2006, the Funds do not believe the adoption of SFAS No. 157 will impact the amounts reported in the financial statements, however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements reported on the statement of changes in net assets for a fiscal period.

On July 13, 2006, the FASB released FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. At this time, management is evaluating the implications of FIN 48. Although not yet determined, management does not expect FIN 48 to have a material impact on the financial statements.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Trustees of  
Tilson Investment Trust  
and Shareholders of the Tilson Focus Fund  
and the Tilson Dividend Fund**

We have audited the accompanying statements of assets and liabilities of the Tilson Focus Fund and the Tilson Dividend Fund, each a series of shares of Tilson Investment Trust, including the schedules of investments, as of October 31, 2006, and the related statements of operations for the year then ended, and the statements of changes in net assets and the financial highlights for the year then ended and for the period March 16, 2005 (date of initial public investment) through October 31, 2005. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2006 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 the Tilson Focus Fund and the Tilson Dividend Fund as of October 31, 2006, the results of their operations for the year then ended, and the changes in their net assets and their financial highlights for the year then ended and the period March 16, 2005 through October 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

*Briggs, Bunting & Dougherty, LLP*

**BRIGGS, BUNTING & DOUGHERTY, LLP**

**Philadelphia, Pennsylvania  
December 5, 2006**

# Tilson Funds

## Additional Information (Unaudited)

### 1. Proxy Voting Policies and Voting Record

A copy of the Trust's Proxy Voting and Disclosure Policy and the Advisor's Proxy Voting and Disclosure Policy are included as Appendix B to the Funds' Statement of Additional Information and is available, without charge, upon request, by calling 1-800-773-3863. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling the Funds at the number above and (2) on the SEC's website at <http://www.sec.gov>.

### 2. Quarterly Portfolio Holdings

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov>. You may review and make copies at the SEC's Public Reference Room in Washington, D.C. You may also obtain copies after paying a duplicating fee by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102 or by electronic request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or is available without charge, upon request, by calling the Fund at 1-800-773-3863. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 202-942-8090.

### 3. Additional Information about Trustees and Officers

The business and affairs of the Funds and the Trust are managed under the direction of the Trustees. Information concerning the Trustees and officers of the Trust and Funds is set forth below. Generally, each Trustee and officer serves an indefinite term or until certain circumstances such as their resignation, death, or otherwise as specified in the Trust's organizational documents. Any Trustee may be removed at a meeting of shareholders by a vote meeting the requirements of the Trust's organizational documents. The Statement of Additional Information of the Funds includes additional information about the Trustees and officers and is available, without charge, upon request by calling the Funds toll-free at 1-888-4TILSON (1-888-484-5766). The address of each Trustee and officer, unless otherwise indicated below, is 116 South Franklin Street, Rocky Mount, North Carolina 27804. The Independent Trustees received aggregate compensation of \$6,200 during the fiscal year ended October 31, 2006 from each Fund for their services to the Funds and Trust. The Interested Trustee and officers did not receive compensation from the Funds for their services to the Funds and Trust.

Name, Age, and Address	Position(s) held with Fund/Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
<b>INDEPENDENT TRUSTEES</b>					
Jack E. Brinson, 74	Trustee and Chairman	Since 12/2004	Retired since January 2000; Previously, President, Brinson Investment Co. (personal investments) and President, Brinson Chevrolet, Inc. (auto dealership).	2	Independent Trustee of the following: Gardner Lewis Investment Trust for the three series of that trust; Hillman Capital Management Investment Trust for the two series of that trust; New Providence Investment Trust for the one series of that trust; and The Nottingham Investment Trust II for the six series of that trust (all registered investment companies)

(Continued)

# Tilson Funds

## Additional Information (Unaudited)

Name, Age, and Address	Position(s) held with Fund/Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Theo H. Pitt, Jr., 70	Trustee	Since 12/2004	Senior Partner, Community Financial Institutions Consulting since 1997 and Account Administrator, Holden Wealth Management Group of Wachovia Securities (money management firm) since September 2003.	2	Independent Trustee of the following: Gardner Lewis Investment Trust for the three series of that trust; and Hillman Capital Management Investment Trust for the two series of that trust (all registered investment companies)
<b>INTERESTED TRUSTEE</b>					
Whitney R. Tilson, 39	Trustee and President (Principal Executive Officer)	Since 12/2004	Founder and Managing Partner, T2 Partners Management LP (formerly Tilson Capital Partners LLC) and various affiliated entities since 1998.	2	Member of the Board of Directors of Cutter & Buck Inc. since September 2004.
Basis of Interestedness: Mr. Tilson is an Interested Trustee because he is a Managing Member of T2 Partners Management LP, the investment advisor of the Funds.					
<b>OTHER OFFICERS</b>					
Glenn H. Tongue, 47	Vice-President, Chief Compliance Officer and Treasurer (Principal Financial Officer)	Since 12/2004	Fund Manager, T2 Partners Management LP since April 2004; Investment Banker, UBS (investment banking firm) from January 2002 to March 2003; previously, Executive, DLJdirect (on-line brokerage firm).	n/a	n/a
Tracey L. Hendricks, 39* 116 S. Franklin Street Rocky Mount, NC 27804	Assistant Secretary	Since 12/2004	Chief Financial Officer of The Nottingham Company (administrator to the Funds) since August 2006; Vice President of Financial Reporting, Tax, Internal Audit, and Compliance of The Nottingham Company since 2004; previously, Vice President of Special Projects of The Nottingham Company from 2001 to 2004.	n/a	n/a
Julian G. Winters, 37* 116 S. Franklin Street Rocky Mount, NC 27804	Secretary and Assistant Treasurer	Since 12/2004	Vice President- Compliance Administration, The Nottingham Company.	n/a	n/a
*Ms. Hendricks and Mr. Winters are sister-in-law and brother-in-law.					

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**The Tilson Mutual  
Funds are series of the  
Tilson Investment Trust**

**For Shareholder Service Inquiries:**

**Documented:**

NC Shareholder Services  
116 South Franklin Street  
Post Office Drawer 4365  
Rocky Mount, NC 27803-0365

**Toll-Free Telephone:**

1-800-773-3863

**World Wide Web @:**

[nottinghamco.com](http://nottinghamco.com)

**For Investment Advisor Inquiries:**

**Documented:**

T2 Partners Management LP  
145 East 57<sup>th</sup> Street,  
Suite 1100  
New York, NY 10022

**Toll-Free Telephone:**

1-888-**4TILSON**, (1-888-484-5766)

**World Wide Web @:**

[tilsonmutualfunds.com](http://tilsonmutualfunds.com)

**Tilson Mutual Funds**