Intrepid All Cap Fund

Discipline Makes the Difference.

3rd QUARTER 2011 COMMENTARY

PERFORMANCE

Average Annualized Total Returns as of September 30, 2011

	Inception Date	3 Month	YTD	1 Year	3 Year	Since Inception
Intrepid All Cap Fund	10/31/07	-13.58%	-9.51%	-2.61%	4.73%	0.13%
S & P 500 Index		-13.87%	-8.68%	1.14%	1.23%	-5.64%
Russell 3000 Index		-15.28%	-9.90%	0.55%	1.45%	-5.40%

Performance data quoted represents past performance and does not guarantee future results. *Investment returns and principal value will fluctuate, and when sold, may be worth more or less than their original cost. Performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 866-996-FUND. The Fund imposes a 2% redemption fee on shares held less than 30 days. Performance data does not reflect the redemption fee. If it had, returns would be reduced.*

Per the Prospectus, the Fund's annual operating expense (gross) for Investor Shares is 1.99%. The Fund's Adviser has contractually agreed to waive a portion of its fees and/or reimburse expenses such that total operating expenses (excluding Acquired Fund Fees and Expenses) do not exceed 1.40% through 1/31/12. Otherwise, performance shown would have been lower.

Dear Fellow Shareholders,

For the quarter ended September 30, 2011, the Intrepid All Cap Fund (the "Fund") decreased 13.58% versus the S&P 500 Index's drop of 13.87%. During the quarter, we have seen a widening dispersion between the results of large caps versus mid and small cap securities. In the same time period, the Russell 3000 Index, which is comprised of small, mid, and large cap securities, fell 15.28%. Because the Fund invests across all market cap strata, we are being impacted by the pullback in mid and small cap stocks.

For the fiscal year ended September 30, 2011, the Fund fell 2.61% versus the S&P 500 Index's gain of 1.14%. For the same period, the Russell 3000 Index had a gain of 0.55%. Much of the underperformance over the past twelve months was caused by a large performance "gap" that occurred in the first fiscal quarter, which ended December 31, 2010. In that quarter, the Fund was up 7.62%, whereas the S&P 500 Index was up 10.76% and the Russell 3000 Index was up 11.59%.

Although the quarter was characterized by dropping prices, two of the leading contributors to performance were both stocks that we sold because their respective stock prices were at our intrinsic values. Although Kraft Foods (ticker: KFT) had no significant news that would cause a fundamental change in its business, its position as a market leader in consumer staples buoyed its stock price at a time when the market was seeking out lower volatility. In the case of Collective Brands (ticker: PSS), the company posted stronger-than-expected results for the quarter as well as announced steps to explore the option of selling the business. The share price responded and we took the opportunity to exit the position. The third holding, Scholastic Corp (ticker: SCHL), also posted better-than-expected quarterly results. In a period of heightened volatility, businesses that perform well, even if on a short-term basis, are often rewarded. Because the long-term outlook for Scholastic did not change, we took the opportunity to reduce the position.

Among the laggards for the quarter, Oshkosh Corp. (ticker: OSK) continues to face a challenging environment for its market-leading construction machinery, such as aerial work platforms, as well as municipal vehicles, such as fire trucks, in the wake of ever-tightening municipal budgets. In addition, its defense segment margins are being impacted by a less profitable contract to manufacture medium tactical vehicles for the U.S. military. We maintain, however, that Oshkosh will weather the macroeconomic environment, and that the downside risk from the defense contract is priced into the stock. CSG Systems (ticker: CSGS) has sold off on uncertainty of its 2011 cash flow from operations. For more detail on this, please refer to the Intrepid Small Cap Fund section. Telephone & Data Systems (ticker: TDS) was impacted in the quarter because of its majority stake in U.S. Cellular (ticker: USM). The share price of U.S. Cellular has a tendency to swing based upon the market's view of the potential for that business to be acquired. In this quarter, the market began more heavily discounting that possibility, which had a subsequent impact on the share price of TDS. Nothing has fundamentally changed with respect to Telephone & Data Systems' business.

During the quarter, the Fund's cash position has moved fairly significantly as prices have fallen. To start the quarter, the Fund

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carried 24.1% cash. We took the opportunity to add to existing positions whose discounts to intrinsic value grew because of the broad, indiscriminate equity market sell-off. In addition, we purchased Aspen Insurance Holdings (ticker: AHL). Aspen underwrites property & casualty insurance as well as reinsurance. We believe that the company offers an attractive opportunity because its price is considerably below the tangible value of its book. At its low point, cash was roughly 12% of the Fund because of these purchases. By the quarter's end, cash stood at 16.8%. Much of this increase was caused by the sale of Federated Investors (ticker: FII), which was exited to capture some offsetting capital losses prior to the fiscal year end. Some portfolio rebalancing also had the net result of increasing cash. The average discount within the Fund is now at 26%, which is significantly higher than last quarter end's average discount of 9%. Each investment will have a discount to intrinsic value which is based upon its market price and our calculated intrinsic values.

Top Ten Equity Holdings (% of net assets)

Gilead Sciences, Inc.	4.1%
Dell, Inc.	4.1%
Microsoft Corp.	4.0%
Tellabs, Inc.	3.4%
CoreLogic, Inc.	3.3%
Telephone & Data Systems, Inc.	3.2%
The Travelers Companies, Inc.	3.2%
Bank of New York Mellon Corp.	3.1%
FTI Consulting, Inc.	3.1%
Teleflex, Inc.	2.7%

Top ten holdings are as of September 30, 2011. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

From our perspective, whenever the market sells off, we become more excited because we believe that more potential opportunities begin to surface. Indeed, we saw that happen in the quarter, and we quickly worked and continue to work to take advantage of the market retreat to find more good businesses to purchase. Although it is at times like these when many investors want to do exactly the opposite, our past experience tells us that these market drops are exactly the time when great investments can be found. We thank you for investing with us.

Sincerely,

Greg Estes
Inrepid All Cap Fund Portfolio Manager

Mutual fund investing involves risk. Principal loss is possible. The Fund is subject to special risks including volatility due to investments in smaller and medium sized companies, which involve additional risks such as limited liquidity and greater volatility. The Fund is considered non-diversified as a result of limiting its holdings to a relatively small number of positions and may be more exposed to individual stock volatility than a diversified fund.

The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The Russell 3000 Index is an index representing the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. You cannot invest directly in an index.

Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income. Tangible book value is book value of equity less intangible assets and goodwill.

Opinions expressed are subject to change, are not guaranteed and should not be considered investment advice or recommendations to buy or sell any security.

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