PERFORMANCE

	Inception Date	Total Return Qtr.	Total Return YTD	Total Return 1 Year	Average Annualized Total Returns as of March 31, 2018: 3 Year	5 Year	10 Year	Since Inception
Intrepid Income Fund - Inst.^	8/16/10	-0.31%	-0.31%	2.29%	2.96%	2.35%	4.02%	3.76%
ICE BofAML US High Yield Index		-0.91%	-0.91%	3.69%	5.18%	5.01%	8.12%	7.15%
Bloomberg Barclays US Agg Bond Index		-1.46%	-1.46%	1.20%	1.20%	1.82%	3.63%	4.12%
ICE BofAML US Corporate Index		-2.20%	-2.20%	2.68%	2.35%	3.03%	5.36%	5.32%
ICE BofAML 1-5 Year BB-B Cash Pay High Yield Index		0.14%	0.14%	3.70%	4.17%	4.20%	6.92%	6.25%

^Institutional Class shares of the Intrepid Income Fund commenced operations on August 16, 2010. Performance shown prior to August 16, 2010 (Since Inception) reflects the performance of Investor Class shares, which commenced operations on July 2, 2007, and includes expenses that are not applicable to and are higher than those of Institutional Class shares.

Effective January 31, 2014, the Investor Class shares of the Fund were closed, and any outstanding Investor Class shares were converted into Institutional Class shares.

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 for 30 days or less. Performance data does not reflect the redemption fee. If it had, returns would be reduced.*

Per the Prospectus dated January 31, 2018, the annual operating expense (gross) for the Intrepid Income Fund-Institutional Share Class is 1.03%. The Fund's Advisor has contractually agreed to waive a portion of its fees and/or reimburse expenses until January 31, 2019 such that total operating expense for the Income Fund-Institutional Share Class is 0.90%. The Net Expense for the Income Fund-Institutional Class is 0.92%.The Net Expense Ratio represents the percentage paid by investors. Otherwise, performance shown would have been lower.

April 4, 2018

Dear Fellow Shareholders,

Two-thousand eighteen started off with a bang. The broader equity markets continued to march higher through most of January with even more momentum than experienced in 2017. January was shaping up to be one of the best months for the equity markets in years before giving back some of the gains in the last few sessions of the month. Even so, the monthly performance was stellar.

Cryptocurrency investors, on the other hand, were not enjoying themselves nearly as much. In our fourth quarter commentary we jokingly remarked that the cryptocurrency euphoria was resembling the meteoric rise of the tech stocks at the end of 1999. The crypto party seems to have suffered a fate similar to the tech bubble. After crossing $18k in December, Bitcoin declined nearly 70% in the next two months. Other less recognized cryptocurrencies, or "alt-coins" fell even more. Perhaps the crypto market has become a forward indicator. In early February, U.S. stock markets experienced the first meaningful declines in two years. The S&P 500 was down more than 1% for the first time in 94 trading sessions. In 2017, the S&P 500 closed up or down more than 1% on just seven occasions. This occurred 23 times in the first quarter of 2018. The Dow and the S&P 500 gave back all of January's gains and more, ending the quarter in the red, while the Nasdaq managed to remain positive.

Top Ten Holdings	(% OF NET ASSETS)
Dollar General, 04/15/2018, 1.875%	4.8%
Total System Services, 06/01/2018, 2.375%	4.5%
Silgan Holdings, 02/01/2022, 5.500%	4.4%
Dorel Industries, 11/30/2019, 5.500%	4.2%
Apple, 05/03/2018, 1.000%	4.1%
FTI Consulting, 11/15/2022, 6.000%	3.4%
Cable One, 06/15/2022, 5.750%	3.3%
Acuant, 06/15/2022, 5.625%	3.2%
Expedia Group, 08/15/2018, 7.456%	3.1%
Edwards Lifesciences, 10/15/2018, 2.875%	3.0%

Top ten holdings are as of March 31, 2018. Fund holdings are subject to change and are not recommendations to buy or sell any security.

Fixed income generally had a tough quarter as well. The Fed hiked its benchmark rate another 25 basis points in March to 1.75%. The 10-year Treasury yield rose from 2.41% to nearly 3% before settling at 2.74% on March 31, 2018, negatively impacting longer-duration bonds. Investment grade corporates suffered further blows as credit spreads rose from 90 basis points, the lowest level seen in a decade, to 117 basis points on March 31, as measured by the ICE BofAML US Corporate Index (the "Corporate Index"). The post-credit crisis average spread is 154 basis points.

More germane to our focus on the high-yield market, Tesla's bonds sank after a smattering of bad news. We discussed the firm's high-yield issuance in our Q317 letter, noting how investors gobbled up the $1.8 billion issue at the lowest yield ever for the rating and maturity. Since then, the company reduced its output projections for the all-important Model 3. If that weren't enough, a fatal crash occurred near the end of March involving the famed Autopilot feature. Moody's downgraded the issue to Caa1 from B3 shortly thereafter. Tesla is highly reliant on the capital markets to fund its massive cash burn, and the 200 basis point increase in the firm's unsecured funding rate is going to sting when it needs to tap the markets.

Elsewhere in junk bond land, I was saddened when the news broke that Toys "R" Us would be liquidated. I'm sure I am not alone when I say that I remember the place to be magical and would beg my parents to bring me. I also share a last name with the founder, Charles Lazarus (no relation), who sadly passed away just days after the liquidation was announced. Toys "R" Us...we will miss you.

Despite these headline stories, the high-yield market seemed relatively unfazed by the gyrations of the equity markets. We have seen little change in the spreads of businesses we seek to lend to, although absolute yields have ticked up. The ICE BofAML High Yield Index (the "HY Index") declined 0.91% in the quarter ended March 31, 2018. The shorter-duration ICE BofAML 1-5 year B-BB Cash Pay High Yield Index (the "1-5 year B-BB Index") gained 0.14%. Longer-duration investment grade securities felt the impact of higher government bond yields to a greater degree. The Bloomberg Barclays US Aggregate Index (the "Barclays Aggregate Index") lost 1.46% in the quarter. Spread widening combined with higher Treasury yields resulted in a 2.20% loss for the Corporate Index. The Intrepid Income Fund (the "Fund") declined 0.31% in the quarter ended March 31, 2018.

Our performance in the first six months of the Fund's fiscal year was also favorable relative to the indexes. The Income Fund returned 0.69% in the six month period ended March 31, 2018, compared to a 0.51% loss for the HY Index and a 0.44% gain for the 1-5 year BB-B Index. Investment grade bonds recorded negative results for the period, but to a lesser extent than the first quarter of 2018. The Barclays Aggregate Index dropped 1.08%, and the Corporate Index lost 1.10%.

While we welcomed the return of volatility in the equity and debt markets, our performance in the first quarter of 2018 left us with mixed emotions. We are quite happy with how our fixed income holdings performed in an environment where safe-haven government bond yields rose sharply. All but a few of our corporate bond holdings produced positive returns and outperformed the indexes in the quarter. Additionally, our Primero Mining convertible bonds jumped approximately 50% after the company announced fellow junior miner First Majestic (ticker: AG) would buy the company and retire the bonds at par. The deal is still pending and is expected to close later this month. Primero was the Income Fund's largest contributor in the first quarter of 2018 and in the first half of the Fund's fiscal year. Regis's 5.5% notes due 12/02/2019 were the Fund's second largest contributor in both periods.

On the other side of the coin, our small allocation to equity securities more than offset the positive performance of our fixed income holdings. At the end of 2017, the Income Fund held three equity securities – Baldwin & Lyons (ticker: BWINB), Corus Entertainment (ticker: CJR/B CN), and Retail Food Group (ticker: RFG AU), each accounting for roughly 1% of the Fund's assets.

Corus hit us first with its earnings release in early January. Despite management's implicit reiteration of guidance at a conference in November, advertising revenues sank 4% in the quarter ended November 30, 2017. Management has been consistently over-promising and under-delivering since the acquisition of Shaw Media. We had been giving them the benefit of the doubt due to Corus's strong position in women's and children's television networks. We were operating under the assumption that consistently strong ratings would eventually lead to advertising revenue stabilization. However, the earnings report was the last straw. Our patience has worn thin. While Corus still trades at what appears to be a ridiculously low multiple of forward operating income at 7x, even a multiple this low might not be justified if advertising revenue cannot be stabilized. We decided to exit our position immediately after the earnings report. The share price started drifting lower last fall, which made Corus a meaningful detractor in the first quarter of 2018 and in the first six months of the Fund's fiscal year.

Our loss on Corus pales in comparison to the largest detractor of the quarter and first half of the fiscal year. The Fund would have posted a positive return in the quarter if it weren't for our ownership of Retail Food Group ("RFG"). The position was discussed in our last letter under different circumstances. We purchased the shares near the end of the fourth quarter after the stock was hammered as a result of several negative media reports on RFG's treatment of its franchisees. The allegations were overly sensationalist, in our opinion. We got lucky and timed our purchases almost perfectly (or so we thought). RFG's shares rocketed higher in the final days of 2017 and contributed nicely to the Fund's performance. Unfortunately, we celebrated a bit too soon. The stock was obliterated in March after releasing semi-annual results. The media coverage has been heavily one-sided, and in some cases the allegations are verifiably false. Management has yet to address the accusations in a meaningful way, which has started to impact the business model by making it more difficult to sell new franchises. The Fund's strategy with regard to equity holdings has been to significantly limit the position size, typically to a fraction of our target corporate bond weights. This approach softened the blow. The Fund's weight in RFG is now quite small. The team is completing additional due diligence on the company, and we plan to report our findings to you next quarter.

The Income Fund had four large corporate bond positions that were called or matured in the first quarter. We also rebalanced several positions and exited our long-held stake in Corus Entertainment common stock, as discussed. The proceeds were partially redeployed into short-term paper of investment-grade issuers that we believe offer attractive yields in excess of government securities. Additionally, we participated in the refinancing of American Outdoor Brands' 5.000% notes that were due to mature on July 15, 2018. The new notes pay a 5% coupon and mature on August 28, 2020. The terms of the new notes are virtually identical to the old.

The Fund initiated a position in the convertible bonds of Dorel Industries (ticker: DII/B CN) in late 2017. Dorel is a manufacturer of consumer goods that owns several highly-recognizable brand names. In its childrens product line, Dorel sells car seats, strollers, swings, and safety products under the Cosco, Safety 1st and Maxi-Cosi brand names, among others. Dorel Sports is one of the world's largest manufacturers of bicycles. The firm owns the Schwinn, Mongoose, GT, and Cannondale brand names. The third leg of the stool is the home products business, which makes ready-to-assemble furniture, baby cribs, futons, step stools and ladders.

Dorel's kids and bicycle businesses have struggled over the last few years, but we believe signs of stabilization are emerging. Despite the sub-par operating performance, the firm has maintained a relatively conservative capital structure. Dorel's cash flows can be lumpy due to timing of working capital needs, but the firm has a long history of generating positive cash flow even in recessionary conditions. We expect free cash flow will be used to pay down debt. In addition, we believe the founding family members' significant economic stakes in Dorel, and possibility of their retirement in the next few years, provide further credit support. Management is highly incentivized to avoid taking inordinate risks. The convertible notes are yielding 5.5% and must be redeemed by May 31, 2019. We believe the credit is attractive even ignoring the convertible option.

Portfolio activity was otherwise subdued, although the recent market volatility has provided us with some interesting ideas that we hope to report to you in future letters. We are diligently searching for attractive opportunities to take credit risk while limiting the Fund's duration, which as of March 31st was just over one year.

Thank you for your investment.

Sincerely,

Jason Lazarus, CFA
Intrepid Income Portfolio Manager

All investments involve risk. Principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. The risk is generally greater for longer term debt securities. Investments by the Fund in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher rated securities. The Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

Mutual funds, ETNs, hedge funds, equities, bonds, and other asset classes have different risk profiles, which should be considered when investing.

The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange. The Nasdaq Stock Market is the world's oldest and largest electronic stock market and is now a national securities exchange and an independent self-regulatory organization (SRO). 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 ICE BofAML US High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million. Bloomberg Barclays Capital U.S. Aggregate Bond Index is an index representing about 8,200 fixed income securities. To be included in the index, bonds must be rated investment grade by Moody's and S&P. ICE BofAML U.S. Corporate Index is an unmanaged index of U.S. dollar denominated investment grade corporate debt securities publicly issued in the U.S. domestic market with at least one year remaining term to final maturity. The ICE BofAML 1-5 Year BB-B Cash Pay High Yield Index is a subset of the ICE BofAML US Cash Pay High Yield Index including all securities with a remaining term to final maturity less than 5 years and rated BB1 through B3, inclusive. You cannot invest directly in an index.

Bond ratings are grades given to bonds that indicate their credit quality as determined by private independent rating services such as Standard & Poor's, Moody's and Fitch. These firms evaluate a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. Ratings are expressed as letters ranging from 'AAA', which is the highest grade, to 'D', which is the lowest grade.

Yield is the income return on an investment. It refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. Investment Grade (IG) is a bond with credit rating of BBB or higher by Standard & Poor's or Baa3 or higher by Moody's. Safe-haven is an investment that is expected to retain its value or even increase in value in times of market turbulence. Cryptocurrencies are digital assets designed to work as a medium of exchange using cryptography to secure the transactions and to control the creation of additional units of the currency. Cash Flow measures the cash generating capability of a company by adding non-cash charges and interest to pretax income. Free Cash Flow measures the cash generating capability of a company by subtracting capital expenditures from cash flow from operations. Basis Point is a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument. Yield is the income return on an investment. It refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. Yield Spread is the difference between yields on differing debt instruments of varying maturities, credit ratings and risk, calculated by deducting the yield of one instrument from another. Junk Bonds are bonds referring to high-yield or noninvestment-grade bonds. They are fixed-income instruments that carry a credit rating of BB or lower by Standard & Poor's, or Ba or below by Moody's. Duration is an approximate measure of the price sensitivity of a fixed-income investment to a change in interest rates, expressed as a number of years.

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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