PERFORMANCE

		Total Return			Average Annualized Total Returns as of September 30, 2015		
	Inception Date	Qtr.	YTD	1 Year	3 Year	5 Year	Since Inception
Intrepid Income Fund - Inst.^	08/16/10	-2.22%	0.06%	-2.76%	1.18%	2.89%	3.66%
Barclays US Aggregate Bond Index		1.23%	1.13%	2.94%	1.71%	3.10%	4.89%
BAML High Yield Master II Index		-4.90%	-2.53%	-3.57%	3.46%	5.94%	6.77%
BAML US Corporate Index		0.39%	-0.07%	1.36%	2.34%	4.33%	5.79%

^Institutional Class shares of the Intrepid Income Fund commenced operations on August 16, 2010. Performance shown prior to August 16, 2010 (5-Year and 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, the Fund's annual operating expenses (gross) for the Institutional Share Class is 0.95%. The Fund's Advisor has contractually agreed to waive a portion of its fees and/or reimburse expenses such that the total operating expense (net) is 0.90% through 1/31/16. Otherwise, performance shown would have been lower.

October 1, 2015

Dear Fellow Shareholders,

Global markets finally experienced some long-awaited volatility in the third quarter ended September 30, 2015, but the sources of the volatility were not the result of crises in Greece or Puerto Rico that we discussed last quarter. Shortly after completing our second quarter letter, Greek Prime Minister Tsipras conceded defeat and bowed to lenders, which ended a standoff that could have ended in Greece's exit from the European Union and essentially signaled "all clear" to the markets, at least temporarily. Meanwhile, panic selling took hold in Chinese markets, which had been falling for several weeks after a spectacular run in the first half of the year. The Chinese government assumed the role of market savior, as is fashionable for governments to do these days, but undertook some actions that even the world's most accommodative governments would not. These actions included, among others, 1) allowing more than half of the 2,800 companies listed on the stock markets to halt their shares, 2) instituting a ban on selling for shareholders owning more than 5% of a company's outstanding shares, 3) actively trying to persuade citizens to buy stocks, and 4) threatening to arrest short sellers.

The measures were effective initially. China's markets were relatively stable through mid-August (except for the 8.5% one-day drop in late July), before crashing again in late August. On August 24th and 25th, the Shanghai index lost 8.5% and 7.0%, respectively. U.S. investors took notice. The result was two of the most volatile trading days in the U.S. in years. The Dow Jones Industrial Average's intraday decline of more than 1,000 points was the largest in its history. The market volatility surely was a factor in the Federal Reserve's decision to keep short-term rates at zero. While the Federal Open Market Committee indicated the domestic economy is improving, it specifically cited "recent global economic and financial developments" in its September statement.

After a somewhat muted reaction to the Greek turmoil, high-yield bonds could not shake off the nervousness in the global equity markets. The BAML High Yield Master II Index tumbled 1.8% in August and another 2.6% in September, contributing to a 4.9% loss in the quarter. **This marks the worst quarterly performance since the third quarter of 2011 when markets panicked during the U.S. Treasury debt downgrade.** The lowest-rated issues suffered the most, particularly those in the energy sector. West Texas Intermediate crude oil resumed its decline and eventually hit a multi-year low of $37.75 before settling around $45/barrel. As a result, the BAML US High Yield Energy Index fell a whopping 16.1% in the quarter, with many issues sinking 50% or more. Market participants have mostly abandoned the hope of a V-shaped recovery in oil prices. At prices below $50/barrel, the vast majority of high-yield energy companies have unviable business models and will need to restructure. The carnage was not just limited to energy companies as it had been in the last few quarters. Some heavily indebted telecom businesses also suffered large price declines, including wireless provider Sprint and cable firm Windstream. Gainers were scarce in the high-yield space.

Top Ten Holdings	(% of net assets)
Pitney Bowes Intl Pfd Stock	5.2%
Regis Corp., 12/05/2017, 5.750%	5.0%
Sally Holdings LLC / Sally Capital, Inc., 11/15/19, 6.875%	4.2%
Ruby Tuesday, Inc., 05/15/2020, 7.625%	4.0%
Ezcorp, Inc., 06/15/2019, 2.125%	4.0%
Tech Data Corp., 09/21/2017, 3.750%	3.3%
Alamos Gold, Inc., 04/01/2020, 7.750%	3.3%
Hanesbrands, Inc., 12/15/2020, 6.375%	3.0%
PHI, Inc., 03/15/2019, 5.250%	3.0%
Multi-Color Corp., 12/01/2022, 6.125%	2.9%

Top ten holdings are as of September 30, 2015. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

The Intrepid Income Fund (the "Fund") posted a good relative performance, although the Fund was still in the red with a loss of 2.22%. The Fund was buffered by our high cash position, which averaged 42% of assets in the quarter. Additionally, security selection helped our relative performance. The Fund's invested assets outperformed the Index. Our exposure to energy-related credits negatively impacted the Fund by about 1% in the third quarter. In our last letter we noted that many of our energy holdings were the largest *contributors* in the second quarter, and we explained our reasons for selling some of these positions. We continued to reduce our energy exposure in the third quarter by exiting our position in Northern Oil & Gas 8% due 6/01/2020 (ticker: NOG). The bonds held up relatively well as oil prices cratered in August, unlike many of the company's peers in the exploration and production (E&P) sector. The bonds had an asymmetrically negative return profile when considering oil prices at that time. We accepted a loss on the position. The bonds were the largest detractors in the quarter. Two other smaller positions in the energy sector detracted about 0.50% from the Fund's quarterly performance.

The second largest detractor was Alamos Gold 7.75% due 4/01/2020 (formerly AuRico Gold). Alamos is a small-cap gold miner that recently merged with AuRico Gold. Gold prices collapsed early in the quarter along with many other commodities, which significantly pressured equity and bond prices of most gold miners. Despite lower precious metals prices, we believe the mines owned by the combined company will produce strong returns. Furthermore, the new Alamos has a much better balance sheet than AuRico had on its own.

Lastly, our positions in EZCORP 2.125% convertible bonds due 6/15/2019 (ticker: EZPW) and Corus Entertainment's common stock (ticker: CJR/B CN) were again material detractors. EZCORP has some exposure to gold through its pawn operations, so lower gold prices probably weighed on the stock and bonds somewhat. However, the company's bonds are trading at levels that suggest a reorganization or bankruptcy will be needed. We have discussed the company is past letters, and our positive view on the credit quality remains unchanged. We believe EZCORP is far from distressed. As for Corus, the firm reported disappointing results in July. We continue to believe Corus can right the ship and stabilize its earnings, but the company will need to put together a few strong quarters for the market to take notice. As an equity position, we have limited our exposure to just above 1% of the Fund's assets.

While the pullback in high-yield bonds was mostly limited to more levered credits and businesses operating in commodity industries, we were able to deploy some of the Fund's cash into new ideas. The Fund took positions in five new high-yield bonds, four of which were issued by companies we have completed work on in the past. We accumulated significant positions in Sally Beauty 6.875% due 11/15/2019 (ticker: SBH), Hanesbrands 6.375% due 12/15/2020 (ticker: HBI), and Crown Americas 6.25% due 2/01/2021 (ticker: CCK). Additionally, we put some cash to work in short-term investment grade bonds that we believe were offering a reasonable spread to comparable maturity U.S. Treasury bonds. As with the new high-yield purchases, we have followed two of these investment grade companies for several years. The investment grade purchases include Tech Data 3.75% due 9/21/2017, Jabil Circuit 7.75% due 7/15/2016, Dollar General 4.125% due 7/15/2017, and FLIR Systems 3.75% due 9/01/2016. We also added to several existing positions.

As noted above, we sold our position in Northern Oil & Gas 8%. We also had our large position in Caleres 7.125% due 5/15/2019 called by the issuer. Caleres recently changed its name from Brown Shoe and issued new notes. We initiated a small position in the new 6.25% notes due 8/15/2023, but the purchase only offset about 25% of the cash we received from the bonds that were called. In total, our purchase activity substantially outstripped sale proceeds, and the Fund's cash balance declined from 45% to 31% of assets.

Sally Beauty's 6.875% notes are the Fund's largest new holding. The company is one of the largest retailers and distributors of professional beauty products in the U.S. Demand for beauty products has historically been nearly immune to recessionary pressures, and Sally's operational performance through 2008 and 2009 supports this claim. The company easily weathered the credit crisis, even with significant leverage of around 5x that was associated with being spun-off from Alberto-Culver in 2006. In 2008 and 2009, the firm's same store sales were positive, and it was able to grow operating earnings. Sally's credit quality has improved significantly since then as it has grown earnings via organic sales growth, store base expansion, acquisitions, and margin improvement. While the firm has recently been buying back stock, we do not believe debt will be increased significantly for this purpose. Sally has three high-yield issues outstanding that are pari passu and account for all of the firm's debt. The 6.875% notes due in 2019 are very likely to be called this November, but we believe the other issues will be attractive core holdings for the portfolio in years to come.

With the recent market volatility we have regularly been asked if we are finding many bargains to put our cash to work in. While the highest-yielding bonds are mostly concentrated in commodity sectors, we are beginning to see some more attractive yields in our "core" universe, which generally consists of stable businesses in mature industries. This quarter's purchases are reflective of the types of credits we are seeking. If high-yield prices continue falling, we believe the Fund's cash position will decline further.

Thank you for your investment.

Jason Lazarus, CFA
Intrepid Income Lead Portfolio Manager

Mutual fund investing involves 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 is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual securities volatility than a diversified fund. The Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

The Bank of America Merrill Lynch High Yield Master II Index (BAML High Yield Master II Index) is Bank of America Merrill Lynch's broadest high yield index, and as such is comparable with the broad indices published by other investment banks. Bank of America Merrill Lynch US Corporate Index (BAML US 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. 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. The Shanghai Index is a market composite made up of all the A-shares and B-shares that trade on the Shanghai Stock Exchange. The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. BAML US High Yield Energy Index is a subset of the BAML US High Yield Index including all securities of Energy issuers. You cannot invest directly in an index.

E&P (Exploration and Production) is a type of company in the oil and gas industry focused on discovering and extracting crude oil and natural gas from underground reserves. Investment Grade is a bond with credit rating of BBB or higher by Standard & Poor's or Baa3 or higher by Moody's. Pari passu is a term used to describe situations where two or more assets, securities, creditors or obligations are equally managed without any display of preference.

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