Intrepid All Cap Fund

Discipline Makes the Difference.

1st QUARTER 2012 COMMENTARY

PERFORMANCE

Average Annualized Total Returns as of March 31, 2012

	Inception Date	3 Month	YTD	1 Year	3 Year	Since Inception
Intrepid All Cap Fund	10/31/07	9.04%	9.04%	3.92%	20.44%	4.30%
S & P 500 Index		12.59%	12.59%	8.54%	23.42%	0.07%
Russell 3000 Index		12.87%	12.87%	7.18%	24.26%	0.41%

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 1.70%. 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 1/31/13. Otherwise, performance shown would have been lower.

April 5, 2012

Dear Fellow Shareholders,

For the first calendar quarter ended March 31, 2012, the Intrepid All Cap Fund (the "Fund") returned 9.04%. During the same period, The Standard & Poors 500 Index returned 12.59% and the Russell 3000 Index rose 12.87%. In this environment, in which the broad market increases so steeply, we believe our results will typically underperform compared to benchmark indices. We believe this because we strive to maintain a consistent investment process in all environments. Because we do not shift from our disciplined value investment process to a more growth-oriented or momentum-driven approach, we may sometimes encounter periods of underperformance, as we did in this quarter.

One result of our investment process was an increase in the Fund's cash position. A rising market has usually resulted in fewer discounted investments available for purchase and more sales of existing holdings that reached our estimated intrinsic value. The Fund's cash level has risen from 18.7% in the previous quarter to nearly 35% at the end of the most recent quarter. Naturally, this has a dampening effect on performance in current rising market conditions. On the other hand, there is a method to our madness. Our cash levels have typically been inversely related to our investment opportunities available. In times like these, where discounts are harder to find, cash will be high. Should the market pull back, we have cash to deploy in purchasing new opportunities. Our cash position has two purposes. First, we think that it should help hedge against potential losses in the event of a market correction. Second, it affords us the flexibility to buy new positions without having to sell other positions. In doing this, we believe that we can provide a lower-volatility experience for Fund investors.

For the first six months of the Fund's fiscal year ended March 31, 2012, the Fund gained 19.80% versus the S&P 500 Index's 25.89% and the Russell 3000 Index's 26.55%. The two quarters were very similar, both in terms of the high benchmark returns and in the relative underperformance of the Fund. Again, cash muted the Fund's return as the position grew through the six-month period.

When we write about our cash positions, the first question on most investors' minds has to do with our expectations for future market performance. Given the Fund's high level of cash, are we implying that we believe that the market will decline in the future? We respond by saying that we do not attempt to time the market. However, our cash position is evidence of our perception of the overall risk of the market. To us, risk and volatility are not synonymous. Volatility is short-term movement in market prices; risk is the potential for long-term loss of principal. Can we say with certainty that the market will decline? Of course we cannot. We know of many value investors who point to the S&P 500 Index's P/E multiple (Price to Earnings ratio) and say that it looks reasonable. In our view, that number, currently 14.59 times, does look reasonable, but only if one assumes that the earnings in the statistic are maintained or grow. Statistics such as P/E only look at the trailing twelve month period, which in this case has seen growth in overall corporate profits. We do not consider future growth in profits to be a given.

As a matter of fact, we are concerned that overall corporate profit margins (defined as trailing twelve month net income divided by trailing twelve month net sales) are at or near peak values. Profit margin is a sign of a firm's efficiency in generating profits, or viewed more simply, how well a firm is performing. They can fluctuate. In the case of the S&P 500 Index, the current profit margin is 13.81%. Over the past ten years, it has fluctuated, going as low as 8.30% in September 2009 and as high as 14.53% in January 2007. Likewise, the Russell 3000 Index's profit margin is currently 13.41%, with a ten-year high of 17.62% in July 2011 and a low of 7.53% in September 2009. It is amazing to see how rapidly these margins re-inflated from their floors in September 2009. We believe that corporate profit margins have benefitted from aggressive cost cutting activities over the past two years. Going forward, we believe there is much less room for increasing efficiency through continued cost-cutting measures, and some of the measures currently benefiting margins may even be unsustainable.

For the quarter, there were not many holdings which performed poorly. Of the two which detracted from performance, one was a new addition and another was a position to which we are adding. The former is Bill Barrett Corporation (ticker: BBG), which is widely known as a natural gas driller. The stock has been hurt by the massive decline in natural gas prices. What is less obvious to casual observers is that Bill Barrett also has liquid production, both in petroleum and natural gas liquids. We think that the market is pricing Bill Barrett at trough natural gas prices instead of long-term normalized prices. The net result of our investment was a detraction of 44 basis points from the Fund's quarterly return. You can read more about Bill Barrett in the Intrepid Small Cap Fund section. Our second underperformer, World Wrestling Entertainment (ticker: WWE), took away only approximately 3 basis points from the Fund's quarterly return. Continued uncertainty over the launch of WWE's television network has been weighing on the stock. We will continue adding to the position as the stock price permits.

Top Ten Equity Holdings (% of net assets)

Microsoft Corp.	4.1%
Bank of New York Mellon Corp.	4.1%
Molson Coors Brewing Co.	3.7%
Dell, Inc.	3.6%
Telephone & Data Systems, Inc.	3.5%
Tellabs, Inc.	3.0%
Speedway Motorsports, Inc.	3.0%
CSG Systems International, Inc.	2.9%
Bill Barrett Corp.	2.7%
C.R. Bard, Inc.	2.6%

Top ten holdings are as of March 31, 2012. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

The Fund's performance benefitted from its flexibility to invest across all market capitalizations. Specifically, the Fund's investment in select large cap equities added to overall quarterly performance. At the end of 2011, four of the Fund's top five holdings were large caps: Gilead Sciences (ticker: GILD), Dell, Inc. (ticker: DELL), Microsoft Corp. (ticker: MSFT), and Bank of New York Mellon Corp. (ticker: BK). These four securities accounted for more than one third of the total return in the quarter. We were compelled to sell Gilead when it reached intrinsic value, and we are closely monitoring the discounts in the other stocks mentioned. The best performer in the quarter was Federated Investors (ticker: FII), which added 99 basis points to the Fund's total return in the quarter. Prior to the first quarter, the uncertainty of money market regulation had weighed down FII's share price. As the quarter progressed, the market seemed to grow more confident that: 1) added regulation is less certain than originally thought, and 2) if regulation is added, it will not happen anytime soon. Given the increase in FII's share price and corresponding decrease in discount, we cut the position in half.

As we have stated before, sustained increases in stock prices have led to smaller discounts in our holdings, which means we will likely be selling more than we are buying. That was the case in this quarter. At the start of the quarter, the Fund comprised 36 equities. It ended the quarter with 30 holdings. We added two new positions in the quarter: Bill Barrett, mentioned above, and Cott Corp. (ticker: COT), a market leading private-label soft drink and juice manufacturer and distributor. Of the eight positions we exited completely, all were due to their stock prices reaching our corresponding intrinsic value estimates.

We end this letter by examining the discount within the Fund. Each security we own has a discount to its intrinsic value which is based upon its market price and our calculated intrinsic values. At the end of the quarter, that average discount was 12%. Bear in mind that this metric is a snapshot taken at the end of the quarter. We exited those positions whose discounts evaporated as their stock prices rose, so they are not included in the Fund's discount calculation. Selling positions which have a small discount or a premium to our calculated intrinsic values while keeping those equities with larger discounts has a net effect of maintaining a larger average discount than if we had simply held a static portfolio over the quarter. As always, we thank you for your investment.

Sincerely,

Gregg M. Estes

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 S&P MidCap 400 Index provides investors with a benchmark for mid-sized companies. The index covers over 7% of the US equity market, and seeks to remain an accurate measure of mid-sized companies, reflecting the risk and return characteristics of the broader mid-cap universe on an on-going basis. 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. The Russell 2000 Index consists of the smallest 2,000 companies in a group of 3,000 Index, as ranked by market capitalization. You cannot invest directly in an index.

Price-to-Earnings Ratio (P/E) is a valuation ratio of a company's current share price compared to its per-share earnings as calculated by Market Value per Share divided by Earnings per Share (EPS). Basis point is a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

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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