Intrepid All Cap Fund

Discipline Makes the Difference.

2nd QUARTER 2011 COMMENTARY

PERFORMANCE

Average Annualized Total Returns as of June 30, 2011

	Inception Date	3 Month	YTD	1 Year	3 Year	Since Inception
Intrepid All Cap Fund	10/31/07	0.38%	4.71%	20.33%	9.74%	4.21%
S & P 500 Index		0.10%	6.02%	30.69%	3.34%	-2.11%
Russell 3000 Index		-0.03%	6.35%	32.37%	4.00%	-1.40%

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 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 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 June 30, 2011, the Intrepid All Cap Fund (the "Fund") gained 0.38% compared to a 0.10% return for the S&P 500 Index. For the first six months of 2011, the Fund has posted a return of 4.71% versus the S&P 500 Index's return of 6.02%. Up until the final week of June, the S&P 500 Index was marching into negative territory. Through June 24, 2011, the S&P 500 Index's quarter-to-date return was -3.89%. The Fund was not immune to the sell-off either, with a return of -1.97% through June 24, 2011. However, the last four trading days of June saw the S&P 500 Index increase 4.15% whereas the Fund increased 2.40%. This is illustrative of a common mantra at Intrepid Capital. We believe that we tend to underperform versus the broad market in periods of sharply increasing prices, while we attempt to outperform when the market is falling. This is caused by our preference for discounted businesses, and, when none can be found, we default to cash holdings. In rising markets, this approach should position us more defensively. At the end of the quarter, the Fund's cash position was 23.7%. Again, this is a direct result of the amount of value investment opportunities we can find. With more opportunities, our cash position would likely decrease. Given the current level of prices in the equity market, this has not happened.

During the quarter, our three worst detractors to performance were Tellabs (ticker: TLAB), Speedway Motorsports (ticker: TRK), and Regis Corp. (ticker: RGS). While neither Regis nor Speedway Motorsports had any major negative revelations, in the case of the former, weak comparables sales performance translated into lackluster sales performance. In the case of the latter, higher gas prices may have caused concern among investors about race attendance. Tellabs has made our leading detractors list two quarters in a row. As we indicated in the previous quarter, Tellabs is facing some challenges in its strategy of shifting from its legacy 'core' products, which focused more on landline switching for telecom companies, to its 'growth' products, which focus on improving the transport of data and voice through wireless networks - an area called mobile backhaul. What keeps our attention is that Tellabs has $1.565 billion in tangible assets for this business, so it is trading for approximately 1.07 times tangible book value. If we factor in the value of its research and development, the company is trading below the value of its assets. It is one of our more volatile holdings, but we believe that the business is being discounted by the market.

The leading contributors to portfolio performance were Dell (ticker: Dell), Johnson & Johnson (ticker: JNJ), and Kraft Foods (ticker: KFT). In the case of Kraft, the market seemed to approve of the company's ability to offset rapid food price inflation by leveraging its strong brands and increasing prices. Johnson & Johnson, which we believed was already being discounted last summer due to the manufacturing problems within its consumer products division, experienced a confluence of good events, including better-than-expected sales and earnings in the quarter, an announced purchase of Synthes, the Swiss-based global leader in high-margin orthopedic trauma devices, and a favorable settlement with Merck (ticker: MRK) pertaining to the distribution of two joint drug compounds: Remicade and Simponi. Finally, Dell showed that it is making progress moving away from the era of selling desktop PCs to individual consumers towards a corporate-centric distribution of computing, storage and networking services for businesses. The strategy thus far is benefiting the company through higher gross and operating margins.

We have been noting for some time now that there has been a value disconnect between larger capitalization stocks and small cap stocks. Over time, we have been shifting the Fund to take advantage of this. While our median market cap is still solidly within mid-cap range, it is fair to characterize the portfolio as having larger individual weights in large cap stocks. Excluding cash, roughly one third of the Fund is invested in large cap stocks as of June 30, 2011. Currently, four of our top five weights are large cap names. The latest additions to the Fund include the large cap Bank of New York Mellon (ticker: BK). While structured as a bank, we think it is unique in that it is the largest asset custodian

in the world. This provides what we believe is a more stable stream of fee revenue.

While we have been looking at opportunities in large caps, we will not pass by ideas that can be found elsewhere, such as WWE (ticker: WWE), formerly known as World Wrestling Entertainment. For more detail on WWE, please review the Intrepid Small Cap Fund commentary. Another purchase in the second quarter was Oshkosh Corp. (ticker: OSK), a manufacturer of trucks for the U.S. military as well as aerial work platforms, fire trucks, and other specialty vehicles. With the exception of its defense business, which has been generating above-normal cash flows, the other segments of Oshkosh are extremely sensitive to the economy and rely upon municipal and construction spending. We believe that we are buying a business which is out of favor but is a market leader in its specialty truck niche. There is another positive about the company: because of the increased free cash flow generated from its Defense segment, Oshkosh has been reducing its debt burden. We have been purchasing shares during the quarter as the share price has fallen. Lately, it has attracted the interest of Carl Icahn, who announced at the end of trading on June 30, 2011 that he had acquired a 9.5% ownership stake and that he believes that the shares are undervalued. We will be closely monitoring developments with respect to Oshkosh.

Top Ten Equity Holdings (% of net assets)

Microsoft Corp.	4.3%
Gilead Sciences, Inc.	4.1%
Dell, Inc.	4.0%
Tellabs, Inc.	3.2%
Johnson & Johnson	3.0%
Kraft Foods, Inc.	3.0%
Teleflex, Inc.	2.9%
Tekelec	2.9%
Telephone & Data Systems, Inc.	2.8%
Total System Services, Inc.	2.4%

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

Those who have read these letters in the past know that we like to close with a final note on the average discount within the Fund. Each investment will have a discount to intrinsic value which is based upon its market price and our calculated intrinsic value. The average discount within the All Cap Fund remains unchanged at 9%. We remain vigilant in our efforts to find investment opportunities that are trading below their respective intrinsic values.

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 2000 Index consists of the smallest 2,000 companies in a group of 3,000 Index, as ranked by market capitalization. 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.

Free cash flow is revenue less operating expenses including interest expense and maintenance capital spending. 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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