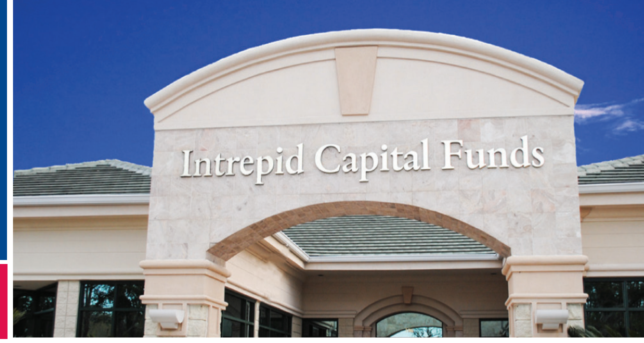
Intrepid All Cap Fund

Discipline Makes the Difference.



2nd QUARTER 2012 COMMENTARY

PERFORMANCE

Average Annualized Total Returns as of June 30, 2012

	Inception Date	3 Month	YTD	1 Year	3 Year	Since Inception
Intrepid All Cap Fund	10/31/07	-3.09%	5.68%	0.34%	13.81%	3.36%
S & P 500 Index		-2.75%	9.49%	5.45%	16.40%	-0.53%
Russell 3000 Index		-3.15%	9.32%	3.84%	16.73%	-0.30%

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.

July 3, 2012

Dear Fellow Shareholders,

For the second quarter ending June 30, 2012, the Intrepid All Cap Fund (the "Fund") returned -3.09%. During the same period, The Standard & Poor's 500 Index ("S&P 500") and the Russell 3000 Index returned -2.75% and -3.15%, respectively. Year to date, the Fund has returned 5.68% while the S&P 500 Index and the Russell 3000 Index have returned 9.49% and 9.32%, respectively. Although the direction of the market was down compared to the first quarter, the Fund's gap between both comparative indices remained about the same, and while the second quarter did give the Fund an opportunity to become more invested, it was not enough to improve short-term relative performance.

As stated in the previous quarterly letter, we are concerned that corporate profit margins are near peak levels. Within the S&P 500, margins remain high at 14.02% at the end of June. Over the past several months, the tone of economic releases in the U.S. has increased fears of a stalled recovery. Consumer demand is flagging, there is growing concern of a slowdown in China, and even U.S. manufacturing unexpectedly declined for the month of June - the first time in three years. There is an ominous tone, and in light of it, we have no confidence that many companies might, on average, be able to maintain such high profit margins. Although the market did sell off slightly in the period, it was not enough for us to feel that we were being adequately compensated for committing capital. We continue to maintain what we believe is a more defensive posture.

Although the sell-off during the quarter was broad, some securities were impacted much more negatively than others. Dell (ticker: DELL) most negatively impacted the Fund's performance in the quarter due to a poor quarterly earnings release in which the company missed analyst estimates for both revenues and earnings. The market's fear is twofold: the PC market is an inherently low-margin business and the demand for PCs is weakening. In light of that, the only way for Dell to gain market share is to lower its prices and therefore the margin it earns. At the present, about 65% of Dell's revenues are PC-related, and the company continues to expand into higher margin, enterprise offerings, such as servers/networking, storage, and services. This business is growing, having gone from about 24% of total revenue three years ago to about 30% of total revenues today. This shift is being fueled by the cash which Dell generates from its PC business, and it has a lot of cash on its balance sheet. At the end of the quarter, Dell's share price was $12.51. On a per share basis, Dell has $2.64 in net cash. In addition, it has instituted a dividend yielding 2.58% and trades at a very low multiple of 6.5 times fiscal 2013 earnings. While there is risk in Dell's strategy to shift to enterprise offerings, we believe that we are being more than adequately compensated for this risk.

A few stocks within the Fund were net gainers in the quarter. First among these was Cott Beverage (Ticker: COT). Cott, a soft drink company which produces private label soft drinks such as Sam's Choice for Wal-Mart, had a solid quarter with free cash flow generation that was higher than expected by analysts. With management's focus on share repurchases and debt reduction, the stock bucked the market trend during the quarter. We took the opportunity to reduce the Fund's position.

For the quarter, the Fund was a net purchaser, moving from 35% cash at the end of March to 26.1% at the end of June. Most of the activity involved adding to existing positions in which the discounts to our intrinsic value grew. In addition, the Fund added small positions in Amdocs (Ticker: DOX), a provider of cable and telecom billing services, as well as Iconix Brands (ticker: ICON), a licensor of retail clothing brands.

Finally, we close this letter with a look at the average level of discount to intrinsic value within the Fund. Each security we own has a discount to its

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2nd QUARTER 2012 COMMENTARY continued

intrinsic value which is based upon its market price and our calculated intrinsic values. At the end of the quarter, that average discount was 19%. The number has grown a bit over the second quarter, which is encouraging. However, it remains challenging to find many opportunities which we would consider cheap. We remain ready to deploy capital should more opportunities arise.

Sincerely,

Greg Estes, CFA
Inrepid All Cap Fund Portfolio Manager

Top Ten Equity Holdings (% of net assets)

Bank of New York Mellon Corp.	4.0%
Dell, Inc.	3.9%
Molson Coors Brewing Co.	3.7%
CSG Systems International, Inc.	3.6%
Telephone & Data Systems, Inc.	3.5%
Microsoft Corp.	3.1%
Tellabs, Inc.	2.9%
Travelers Companies, Inc.	2.9%
Bill Barrett Corp.	2.8%
Bio-Rad Laboratories, Inc.	2.6%

Top ten holdings are as of June 30, 2012. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

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.

Free Cash Flow measures the cash generating capability of a company by subtracting capital expenditures from cash flow from operations.

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

The Intrepid Capital Funds are distributed by Quasar Distributors, LLC.