

INTREPID CAPITAL FUND 4th QUARTER 2010 COMMENTARY

PERFORMANCE

	Inception Date	3 Month	YTD	Average Annualized Total Returns as of December 31, 2010			
				1 Year	3 Year	5 Year	Since Inception
Intrepid Capital Fund - Inv.	01/03/05	5.72%	15.86%	15.86%	8.21%	8.91%	7.06%
Intrepid Capital Fund - Inst.	04/30/10	5.78%	-	-	-	-	5.87%
S & P 500 Index		10.76%	15.06%	15.06%	-2.86%	2.29%	2.87%^
Russell 2000 Index		16.25%	26.85%	26.85%	2.22%	4.47%	4.79%^
B of A Merrill HighYield Master II Index		3.07%	15.19%	15.19%	10.13%	8.81%	7.76%^

^Since Inception returns are as of the fund's Investor Class inception date, the Inst. Class cumulative return for the S & P 500 Index is 7.49%, Russell 2000 Index is 10.30% and B of A Merrill High Yield Master Index is 7.49%.

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 1.72% and for Institutional Class is 1.47%.

Dear Fellow Shareholders,

During the three month period ending December 31, 2010, the Intrepid Capital Fund generated a total return of 5.72% versus 10.76% for the S&P 500, 16.25% for the Russell 2000 and -3.07% Bank of America-Merrill Lynch High Yield Master II Index. As a balanced fund, the Intrepid Capital Fund seeks to weather all types of financial markets. Although we show the S&P 500 and Russell 2000 indices, they both are 100% equity, whereas the Intrepid Capital Fund seldom consists of more than 60% equity. The strategy of the Intrepid Capital Fund is to participate in bull markets and seek to protect capital in bear markets.

Equity markets' strong fourth quarter performance was fueled by tail winds from the Federal Reserve's announcement of the second round of quantitative easing and expectations for a change of control in the U.S. House of Representatives. The Fund performed as we would anticipate in an environment where equity indices were up double-digit percentages, lagging as prices moved higher. In rising markets we prefer to monetize shares as intrinsic values are reached rather than chase "what is working." This monetization and consistent inflows to the fund have resulted in cash levels around 18%. We are working diligently to find suitable equity and debt securities that meet our stringent valuation criteria.

It is worth noting that as prices rise, the opportunity set of investments trading at discounts shrinks. The broad equity market is up roughly 80% from its March 2009 lows. Additionally, there has been a steep increase in Treasury yields, with the 10-year yield moving up over 1% to 3.35% during a very short time period late in the fourth quarter. The damage to holders of longer-term Treasuries was substantial and reminiscent of the "Valentine's Day Massacre" in 1994, when Alan Greenspan caught the markets by surprise when he moved to tighten monetary policy unexpectedly. The move in equity markets and Treasury yields gives us pause.

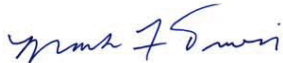
Speaking of money printing, the Intrepid Capital Fund was able to take advantage of a mispricing in shares of the U.K.-based international money printer, De La Rue Plc (ticker: DLAR). We used the opportunity "Mr. Market" presented in late November to accumulate a position and, in very atypical fashion for an Intrepid investment, sold the shares less than two weeks later when the price reached our calculated intrinsic value. Further background is provided in the Intrepid Small Cap Fund commentary.

INTREPID CAPITAL FUND 4th QUARTER 2010 COMMENTARY (continued)

Once again, I am pleased to say Morningstar, for the period ending December 31, 2010, ranked the Intrepid Capital Fund in the 1st percentile among 930 and 736 funds in the Moderate Allocation category for the 3 year and 5 year periods, respectively, based on total returns. For the one-year period ending 12/31/10, Morningstar ranked the Fund in the 4th percentile among 1,074 Moderate Allocation Funds. The Intrepid Capital Fund received an Overall 5-star Morningstar Rating, the highest rating for risk adjusted returns, out of 930 funds in the Moderate Allocation category for the period ending December 31, 2010. The Overall Morningstar Rating for a fund is derived from a weighted average of the fund's three-, five- and ten-year (if applicable) Morningstar Ratings™ metrics, which are based on risk-adjusted return performance.

Thank you for entrusting us with your hard earned capital.

Best Regards,



Mark F. Travis
President

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

The Fund is subject to special risks including volatility due to investments in small- and mid-cap stocks, high yield securities and is considered non-diversified as a result of limiting its holdings to a relatively small number of positions. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually 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.

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For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ (based on Morningstar risk-adjusted return measure that accounts for variation in a fund's monthly performance, including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Intrepid Capital Fund was rated 5-Stars against the following numbers of U.S. domiciled Moderate Allocation funds over the following time periods: 930 and 736 funds in the last three- and five-years, respectively.

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 Bank of America/Merrill Lynch High Yield Master II Index is Merrill Lynch's broadest high yield index, and as such is comparable with the broad indices published by other investment banks. 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.

The Intrepid Funds are distributed by Quasar Distributors, LLC.

Top Ten Equity Holdings (% of net assets)

Federated Investors, Inc.	2.3%
American Greetings Corp.	2.2%
FTI Consulting, Inc.	2.1%
Pottlach Corp.	2.1%
Newmont Mining Corp.	2.1%
Berkshire Hathaway, Inc. - Class B	2.0%
Johnson & Johnson	2.0%
Dell, Inc.	2.0%
Microsoft Corp.	2.0%
Speedway Motorsports, Inc.	1.9%

Top ten holdings are as of December 31, 2010. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.