Intrepid Capital Funds *the constant pursuit of value*

INTREPID CAPITAL FUND

2Q2014

2nd QUARTER 2014 COMMENTARY

JUNE 30, 2014

PERFORMANCE

	Inception Date	Total Return Qtr.	YTD	1 Year	Average Annualized Total Returns as of June 30, 2014 3 Year	5 Year	Since Inception
Intrepid Capital Fund - Inv.	1/3/05	1.58%	6.05%	16.05%	10.02%	13.34%	8.00%
Intrepid Capital Fund - Inst.	4/30/10	1.72%	6.27%	16.42%	10.32%	-	9.74%
S&P 500 Index		5.23%	7.14%	24.61%	16.58%	18.83%	7.52%^
Russell 2000 Index		2.05%	3.19%	23.64%	14.57%	20.21%	8.21%^
BAML High Yield Master II Index		2.57%	5.64%	11.80%	9.27%	13.94%	8.36%^

^Since Inception returns are as of the fund's Investor Class inception date. Since the inception date of the Institutional Class, the annualized return of the S&P 500 Index is 15.24%, Russell 2000 Index is 14.55%, and BAML High Yield Master II Index is 9.71%.

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 Investor Share Class is 1.42% and for the Institutional Share Class is 1.17%. 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 1.40% and 1.15% through 1/31/15, respectively. Otherwise, performance shows would have been lower.

July 7, 2014

"I would rather lose half of my shareholders than half of my shareholders' money."
-Jean-Marie Eveillard (Former Portfolio Manager of First Eagle Global)

Dear Friends and Clients,

I have always liked the above quote as we share the same belief at Intrepid Capital. Seeking to protect your capital is one of our primary tenets. However, few investors seem to place importance on such a basic principle. Caution has once again been thrown to the wind. Equity, bond, and real estate prices are now at levels that might have been considered ludicrous just a few quarters ago. I was aghast recently to hear a radio advertisement featuring a salesman proclaiming, "Come to my seminar and learn to flip houses!" I rubbed my eyes and checked my calendar to make sure it wasn't 2007!

One of the most frequent questions we hear at Intrepid Capital is "Why do you have so much cash?" That is typically followed by "What do you foresee coming that causes you to be so defensively postured?" Let us first establish that we have absolutely no ability to see into the future. We would suggest that you be highly skeptical of anyone making such a claim. What we do have is many years of experience in the asset management business. We can say with confidence that we believe equities and bonds are priced for perfection. Unfortunately, it's when the market least expects it that things "go bump in the night." To list a few such instances:

October 1987:	Global markets crash more than 20% in a single day
August 1998:	Russian ruble is devalued
September 1998:	Several Nobel Prize winners blow up Long Term Capital Management, requiring help from a consortium of the Federal Reserve and much of Wall Street
March 2000:	Tech bubble bursts
September 2001:	Terrorists attack NYC and the Pentagon
September 2008:	Lehman Brothers declares bankruptcy

Without the ability to see around corners, we are forced to rely on a strict and disciplined underwriting process. For equity securities, we determine a conservative estimate of the company's worth to a cash buyer. We then seek to buy the equity at a discount to this estimate of value in case our estimates prove to be incorrect or something unforeseen occurs. For bonds, we restrict ourselves to shorter-term corporate bonds where we can reasonably anticipate business developments over the next few years. As a lender, we want to determine if the company can generate enough cash flow to comfortably service the debt over the life of the loan, and we seek companies that own tangible assets in excess of liabilities.

Top Ten Holdings	(% of net assets)
Berkshire Hathaway, Inc. - Class B	3.0%
Newfield Exploration Co.	3.0%
Northern Oil and Gas, Inc., 06/01/2020, 8.000%	2.9%
The Western Union Co.	2.9%
Corus Entertainment, Inc. - Class B	2.9%
Intuitive Surgical, Inc.	2.6%
American Eagle Outfitters, Inc.	2.5%
Bio-Rad Laboratories, Inc.	2.5%
Bill Barrett Corp.	2.5%
Oaktree Capital Group LLC	2.4%

Top ten holdings are as of June 30, 2014. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

If a potential investment does not meet our underwriting standards and trade at a discount to our intrinsic value, the security will not be purchased. We sell a security when we believe we are no longer being compensated to assume the related risks, either due to the security climbing to our intrinsic value or a deterioration in the business's fundamentals. In the absence of attractive opportunities, we default to cash. The easiest way to think of it is: if prices are high, our cash tends to be high; if prices are low, our cash tends to be low.

Our relatively high cash position in the Intrepid Capital Fund (the "Fund"), which averaged about 29% in the quarter, combined with a more defensively positioned high-yield bond allocation and one significant equity detractor, led to the Fund underperforming the blended benchmark of 60% S&P 500/40% BAML High Yield Master II (the "Index") in the quarter ending June 30, 2014. The Fund returned 1.58% in the quarter, while the Index gained 4.16%. The Russell 2000 returned 2.05%, and the S&P 500 rose 5.23% for the same period.

The Fund's investment in the common stock of Coach Inc (ticker: COH) materially impacted the Fund's performance in the second quarter. The shares declined more than 30% as the owner of the iconic brand reported poor earnings due to heavy competition from younger brands Michael Kors and Tory Burch. Other material detractors, which we define as having a greater than 10 basis point impact on the Fund's performance, were Oaktree Capital (ticker: OAK), Bio-Rad Labs (ticker: BIO), and American Eagle Outfitters (ticker: AEO). The top contributors in the quarter were Newfield Exploration (ticker: NFX), Aaron's (ticker: AAN), and FTI Consulting (ticker: FCN). Most of these positions are discussed in our other Funds' commentaries. Thank you for your investment.

Best regards,

Mark F. Travis
President
Intrepid Capital 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 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. 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. The Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

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 U.S. companies in the Russell 3000 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.

Cash Flow measures the cash generating capability of a company by adding non-cash charges and interest to pretax income. Basis Point is a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

References to other mutual funds should not be interpreted as an offer of these securities.

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.