Intrepid Capital Funds
the constant pursuit of value

INTREPID DISCIPLINED VALUE FUND

4TH QUARTER 2015 COMMENTARY

4Q 2015

DECEMBER 31, 2015

PERFORMANCE

		Total Return			Average Annualized Total Returns as of December 31, 2015		
	Inception Date	Qtr.	YTD	1 Year	3 Year	5 Year	Since Inception
Intrepid Disciplined Value Fund - Inv.	10/31/07	1.80%	-3.70%	-3.70%	7.15%	6.21%	5.10%
S&P 500 Index		7.04%	1.38%	1.38%	15.13%	12.57%	5.73%
Russell 3000 Index		6.27%	0.48%	0.48%	14.74%	12.18%	5.81%
Morningstar US OE Mid-Cap Value		2.77%	-5.16%	11.83%	9.38%	6.59%	5.34%

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 the Investor Shares is 1.57%. 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 1.30% through 1/31/16.

January 4, 2016

Dear Fellow Shareholders,

We think the best way to describe 2015 is the Year of Muddling Through. While much of the world is showing signs of a slowdown, the U.S. has for the most part avoided any clear indication of either a recession or a meaningful expansion. There was enough positive economic data, such as declining jobless claims and unemployment figures, for the Federal Reserve to raise rates for the first time since 2006. This was supposed to be a good sign, because it meant that the Fed had faith in the strength of the U.S. economy. The market even rallied a bit on the move, but it did not last. And yet businesses are not doing as well in general as many would like. Deutsche Bank estimates that total net income for S&P 500 Index members fell 3% for 2015, while revenue fell 4%.[1]

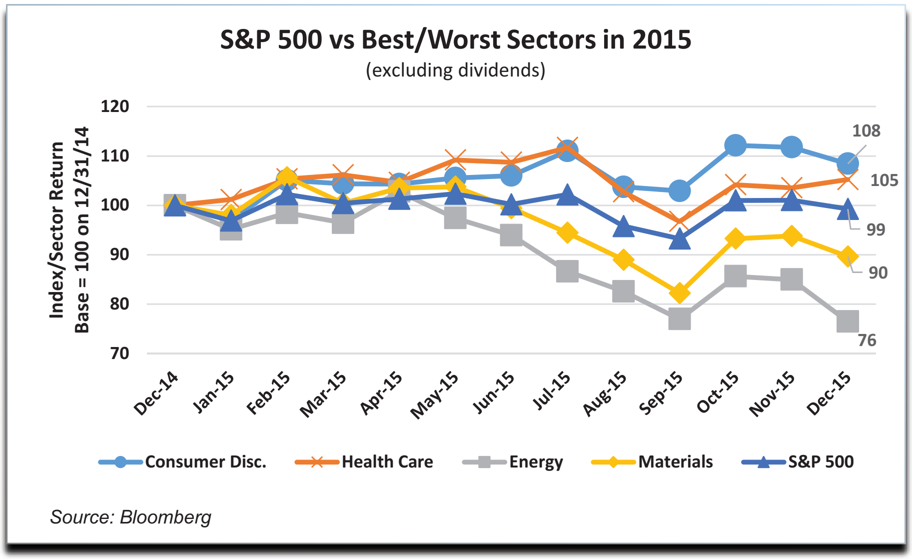
The low price of oil throughout 2015 was also supposed to provide a boost to the economy as consumers had more cash in their wallets.[2] But the energy sector had been booming in the U.S. before the collapse in oil prices and it was a source of employment and capital spending. As oil prices eroded, so did much of the payrolls and investment in capital equipment. Other commodities, such as copper and iron ore, have also fallen during the year. Weak demand is a factor for weak commodity prices as many businesses delay investment. In our opinion, this is not laying the groundwork for a good foundation for the coming year. Our note of caution probably looks repetitive to our readers. Unfortunately, as we have noted above, nothing has changed for the better to make us alter our outlook about the U.S. economy. Our cash level has remained fairly consistent throughout the year, and the Intrepid Disciplined Value Fund ended the year with approximately 48% cash.

For 2015, the S&P 500 Index generated a return of 1.38% while the Russell 3000 returned 0.48%. In comparison, the Intrepid Disciplined Value Fund (the "Fund") had a negative return of 3.70%. What explains this underperformance? The short answer is that the Indexes, while showing a positive return across all index members, were actually quite mixed across the various sectors. As we conduct a review of the year, we can see that the two top performing sectors of the S&P 500 were Consumer Discretionary (up 10.11%) and Health Care (up 6.89%). On the bottom end were the Energy (down 21.12%) and Materials (down 8.38%) sectors. The graph below shows these four sectors, along with

[1]Hagerty, James and Francis, Theo. "Will Spending, Profits Resume Climb?" *Wall Street Journal* 4 January 2016

[2]Kent, Sarah, Williams, Selena, Miller, John, and Wall, Robert. "Cheap Oil Gives Little Help to U.S. Spending." *Wall Street Journal* 10 December 2015

the S&P 500 Index, from the beginning to the end of the year, excluding dividends and indexed to start at 100.



Past performance does not guarantee future results

Top Ten Holdings	(% OF NET ASSETS)
SanDisk Corp.	3.9%
Teradata Corp.	3.5%
Symantec Corp.	3.3%
Oaktree Capital Group LLC	3.1%
Corus Entertainment, Inc. - Class B	3.1%
Northern Trust Corp.	3.0%
Verizon Communications, Inc.	2.9%
Mattel, Inc.	2.6%
Coach, Inc.	2.2%
Leucadia National Corp.	2.1%

Top ten holdings are as of December 31, 2015. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

Whereas the overall S&P 500 Index changed little during the year, the disparity between in and out-of-favor sectors grew wider as the year progressed.

On a sector level, the Fund's top contributor was from its Health Care holdings. However, our gain from Health Care investments was more than offset by our losses in the Energy and Materials sectors. In addition, although we had investments in the Consumer Discretionary sector, our individual selections within that group performed well below the broad index sector.

On an individual basis, our top performing stocks for 2015 were Microsoft (ticker MSFT, Information Technology sector), Quarto Group (ticker: QRT LN, Consumer Discretionary sector), and American Eagle Outfitters (ticker: AEO, Consumer Discretionary sector). Microsoft has seen a shift in its business model away from individual transactions based upon a consumer or business buying a single license for its operating system upon buying a new PC. Now, it is moving to a recurring subscription-based model in which a customer simply pays monthly or annually to use the operating system and the suite of Office software. In addition, the growth in MSFT's cloud-based offerings has highlighted this segment's importance to the company's future.

We've mentioned Quarto in our previous letter. This small, UK-based publisher has performed well during the year. One interesting new hot customer segment: coloring books for adults. Finally, American Eagle is a holding we sold earlier in the year as its quarterly results exceeded market expectations and the share price crossed above our intrinsic value estimate.

The bottom performers for 2015 include Corus Entertainment (ticker CJR/B, Consumer Discretionary sector), Teradata (ticker: TDC, Information Technology sector), and Contango Oil & Gas (ticker: MCF, Energy sector). Corus has posted some disappointing results in its advertising revenue, and that has caused much of the market's concern. However, we believe in the value of its original programming content as well as the future benefit it will gain from its new agreement to distribute Disney programming in Canada. For a more detailed account, please check the Intrepid Endurance Fund's letter.

In the case of Teradata, not much changed from the last quarter: companies simply are not investing as much in data warehousing right now. As we mentioned above, many businesses are delaying all kinds of investments, and data warehousing is no exception. Although Teradata does rely on business spending, we continue to believe in the long-term necessity of this service for large businesses. Last but not least, Contango has been a victim of falling oil prices. Although it has a cleaner balance sheet than many other drillers, the perception of its higher production cost, combined with falling oil prices, have punished the stock.

For the fourth quarter, the Fund returned -1.80% versus the S&P 500 Index return of 7.04% and the Russell 3000's return of 6.27%. While the Fund underperformed both the S&P 500 Index and the Russell 3000 Index for the year and the quarter, it did better than its Morningstar peer group, the Mid-Cap Value category for the calendar year. For 2015, the Intrepid Disciplined Value Fund's return outperformed the Mid-Cap Value category's return of -5.16%, placing the Fund in the second quartile for the full year amongst 471 funds based on total returns.

We are constantly examining our holdings, paying particular attention to estimating what we believe each company is worth. By doing so, we believe we have a measuring stick to compare against each company's stock price. Those stocks that trade below what we think they are worth (intrinsic value) have what we refer to as a "discount." As we look at the Fund's holdings today, we believe that we have a mixed bag of securities. Some have performed well and have little discount left to our corresponding intrinsic values. Others, which have underperformed, have seen their discounts widen. The current average discount to our intrinsic values within the Fund is approximately 20%. We are always looking for potential new investments, provided we can buy them for what we believe is an attractive discount to intrinsic value. We appreciate your confidence in our process and wish you a prosperous 2016.

Sincerely,

Greg M. Estes

Greg Estes, CFA
Intrepid Disciplined Value 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 Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

Prior to April 1, 2013, the Fund was named the Intrepid All Cap 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.

Morningstar Rankings represent a fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest percentile rank is 1 and the lowest is 100. It is based on Morningstar total return, which includes both income and capital gains or losses and is not adjusted for sales charges or redemption fees. The ranking is specific to the Investor Share Class. Among Mid-Cap Value Funds, according to Morningstar as of 12/30/15, the Intrepid Disciplined Value Fund (ICMCX) was ranked in the top 36% for 1-year among 471 funds and 92% for 5-years among 343 funds, based on total returns.

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.