Intrepid Disciplined Value Fund

Discipline Makes the Difference.

2nd QUARTER 2013 COMMENTARY

PERFORMANCE

Average Annualized Total Returns as of June 30, 2013

	Inception Date	3 Month	YTD	1 Year	3 Year	5 Year	Since Inception
Intrepid Disciplined Value Fund - Inv.	10/31/07	0.66%	9.23%	14.22%	11.31%	8.66%	5.20%
S & P 500 Index		2.91%	13.82%	20.60%	18.45%	7.01%	2.91%
Russell 3000 Index		2.69%	14.06%	21.46%	18.63%	7.25%	3.24%

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 1.60%. 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% through 1/31/14.

July 2, 2013

Dear Fellow Shareholders,

If ever anyone had doubt that the market has become accustomed to -- even dependent upon -- the Federal Reserve's easy monetary policy, look no further than the market's behavior after the June 19, 2013 FOMC (Federal Open Market Committee) meeting. After signaling a future tapering to reduce its purchasing of bonds -- known as QE3 -- sometime in the future, the Standard & Poor's 500 Index began to decline, falling 3.4% by the end of trading three days later. What followed were numerous attempts to "walk back" the FOMC statements or "refine" them by reassuring the market that QE3 will continue, *particularly if the economy shows signs of weakness*. It is no wonder then that the market's reaction to a negative revision to GDP from 2.4% growth to 1.8% growth sent the market up almost 1%. The market was reassured that QE3 was more likely to continue because economic indicators were showing signs that recovery is not strong enough to justify an end to quantitative easing. In our opinion, it seems like we are all living in an alternate universe, where everything is upside down. Bad results are good and fundamentals mean little. We think that the market's only current concern is how long the Fed will maintain its level of QE. But this is not our area of expertise, and we would posit that it is no one else's either.

We are reminded of a movie from the 80's, *WarGames*, in which the supercomputer Joshua, when assessing the nuclear doctrine of mutually assured destruction, concludes that "the only winning move is not to play." We will not play the game of betting on quantitative easing because, like all things, it will end, and the speculation as to the timing of its end should lead to greater volatility. Although it is challenging to continue to apply our principles of value investing, we intend to stay resolute in doing just that.

For the quarter ended June 30, 2013, the Intrepid Disciplined Value Fund ('the Fund") returned 0.66% in comparison to the S&P 500's return of 2.91% and the Russell 3000's return of 2.69%. For the first six months of the year, the Fund returned 9.23% in comparison to the S&P 500's return of 13.82% and the Russell 3000's return of 14.06%. As mentioned above, this is an incredibly challenging market for us, because we see limited opportunities for investment. With stock prices at or near all time highs, it is difficult for us to justify purchasing businesses -- even quality businesses -- because we do not believe that there is enough of a discount between said stock price and our estimate of intrinsic value. The immediate result of our process is that we ended the quarter with 49% of the Fund in cash. It does not thrill us to have such a large cash position; we would much rather be able to own great businesses at great prices. The problem, we believe, is that there are few businesses selling for great or even good prices. Therefore, we feel we must take the uncomfortable path of holding cash until the gap between price and intrinsic value widens.

For the quarter, the Fund has added five new positions: Western Union (ticker: WU), Coach (ticker: COH), Northern Trust (ticker: NTRS), Check Point (ticker: CHKP), and Tech Data Corp (ticker: TECD). One thing to note about these purchases is that they are not confined to one industry. Rather, they represent our efforts to find what we believe are good value opportunities no matter what industry or sector. We spend a lot of our time looking for new businesses, and even when we do not purchase a business at today's price, we still believe that the effort is not wasted because we have increased our knowledge base of potential investments. Should prices change, we stand ready to invest in ideas with which we are already familiar. While our purchasing activity was higher than it has typically been over the past year, we did have more sells than buys. The Fund exited from seven positions: American Greetings (ticker: AM), CR Bard (ticker: BCR), GameStop (ticker: GME), International Speedway (ticker: ISCA), Molson Coors (ticker: TAP), Regis Corp (ticker: RGS), and Speedway Motorsports (ticker: TRK). In all cases, shares were sold because stock prices had reached our internal intrinsic values. Our sell discipline is triggered when a stock price goes above what we think the business is worth (intrinsic value). In this quarter, several companies had reached that level. For GameStop, the stock price reached our intrinsic value very quickly; we had just purchased it in the previous quarter. But we believe that this is the nature of stock prices. They can move up or down much more quickly than the true intrinsic value of the business. In the case of GameStop, the market became reassured that new gaming consoles would allow for the play of used games, thus protecting GameStop's core business model. Although we could have been tempted to hold on to the stock in the hope that it would continue to climb, we believe that we are better off sticking to our analysis of what we believe the business is worth instead of attempting to guess how the market might feel about a stock for a particular time period.

Top Ten Equity Holdings	(% of net assets)
The Bank of New York Mellon Corp.	3.9%
FTI Consulting, Inc.	3.8%
Ingram Micro, Inc.	3.1%
Telephone & Data Systems, Inc.	3.0%
Dell, Inc.	2.9%
Bio-Rad Laboratories, Inc.	2.8%
World Wrestling Entertainment, Inc.	2.7%
Global Payments, Inc.	2.6%
Bill Barrett Corp.	2.5%
SAIC, Inc.	2.3%

Top ten holdings are as of June 30, 2013. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

During the quarter, the Fund's three biggest detractors of performance were: Pan American Silver (ticker: PAAS), which fell as did most precious metals-related stocks; FTI Consulting (ticker: FCN), which had little reason for its drop, since there was no fundamental change to the business; Bio-Rad (ticker: BIO) has seen its stock decline as management has elected to take a short-term hit to its operating margin by making some acquisitions which the market does not favor.

Top contributors to Fund performance were: Telephone & Data Systems (ticker: TDS), which has begun to monetize some of its spectrum assets held by its primary holding, U.S. Cellular (ticker: USM); Microsoft (ticker: MSFT), which has traded up as plans for the holiday launch of Xbox become clear; World Wresting Entertainment (ticker: WWE) has moved up as investors have begun to suspect that the company will negotiate a better TV rights offer which could lead to improved margins.

Today, our internal estimate of the average discount within the Fund is 23%. We can calculate each stock's discount by comparing its stock price to our estimate of its corresponding intrinsic value. Generally speaking, the greater a stock price's discount to our intrinsic value estimate, the greater the percentage weight given to that stock within the Fund. However, we do also consider the volatility of a company's cash flow in that decision. Therefore, while some investments may have discounts larger than 20%, we want to limit what we believe are potential risks for adverse short-term events. We limit this risk by limiting the target weights for these stocks. A good example of this is Pan American Silver (ticker: PAAS), whose underlying intrinsic value is based upon the price of silver. Because the price of silver can be volatile, we choose to cap our exposure to limit our potential downside risk is this investment. Currently, the median investment weight in the Fund is 2.09%. In our view, a "full weight" would be 4%.

We continue to scour the markets, looking for suitable investment opportunities that we believe are also priced attractively. We believe that we have identified many high quality businesses; however, the current market prices for those businesses are too high in our opinion to justify investing in them. Should prices change, we believe that we are poised to deploy our cash to add to our existing positions in the Fund, as well as initiate new positions. We appreciate your confidence in our investment process.

Sincerely,

Greg M. Estes

Greg Estes, CFA
Intrepid Disciplined Value Fund Portfolio Manager

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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.

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.

Free Cash Flow measures the cash generating capability of a company by subtracting capital expenditures from cash flow from operations. Discount to Intrinsic Value is the difference between what an investor believes the company is worth and what the market price is of the company.

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.