Intrepid Disciplined Value Fund

Discipline Makes the Difference.

4th QUARTER 2013 COMMENTARY

Average Annualized Total Returns as of December 31, 2013

	Inception Date	3 Month	YTD	1 Year	3 Year	5 Year	Since Inception
Intrepid Disciplined Value Fund - Inv.	10/31/07	4.02%	18.53%	18.53%	9.20%	14.93%	6.17%
S & P 500 Index		10.51%	32.39%	32.39%	16.18%	17.94%	5.21%
Russell 3000 Index		10.10%	33.55%	33.55%	16.24%	18.71%	5.64%

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.

January 2, 2014

Dear Fellow Shareholders,

They say a rising tide lifts all boats, and today's market seems to fit that saying rather well. 2013 has been a very good year to invest in stocks: the S&P 500 Index was up 32.39% for the year, and the Russell 3000 was up 33.55%. In the fourth quarter alone, the S&P 500 returned 10.51% and the Russell 3000 Index returned 10.10%. I invite our readers to think about that. Over a long-term period of fifty years, the Dow Jones Industrial Average and the S&P 500 have returned 9.97% and 9.81%, respectively, on an annual basis. The fourth quarter of 2013 alone provided more return than the long-term yearly average. Are such returns sustainable? We think not, but in the meantime, it has been and remains a challenging period for value investors.

For the period ending December 31, 2013 the Intrepid Disciplined Value Fund (the "Fund") returned 4.02% for the quarter, and 18.53% for the year. The Fund's performance trails also in trailing three- and five-year periods. Over the last three years, the Fund returned 9.20% annually, while the S&P 500 returned 16.18% and the Russell 3000 returned 16.24%. Over the last five years, the Fund returned 14.93% annually, while the S&P 500 returned 17.94% and the Russell 3000 returned 18.71%. Only when the bear market of 2008 is included does the picture change. From the Fund's inception date of October 31, 2007, the Fund earned 6.17% annually versus the S&P 500's return of 5.21% and the Russell 3000's return of 5.64% over the same period. The longer time period is illustrative of a full market cycle. All other time periods listed, the one-, three-, and five-year periods, only include a bull market. Prices continue to increase, and because we are very price sensitive, we are finding it extremely difficult not to find good businesses, but to find good businesses at what we consider good prices. The result is that the Fund's current cash level is at an all-time high of 61.3%. This is not something we desire, but we feel we are left with little choice at the moment. We believe we are acting in our investors' best interests by not committing capital to stocks that we perceive as being too rich.

One of the characteristics of the Fund is that it is contrarian. Oftentimes, when a stock sells off, it is due to some perception about a company's future earnings prospects being impaired. Because we seek to buy businesses at attractive prices, being contrarian is in the nature of what we do. A primary role for us as a team is to identify situations where we believe that the market has overreacted to a development and therefore oversold a good business. In the fourth quarter, we believe that we identified three such stocks: Crocs (ticker: CROX), LabCorp (ticker: LH), and Cisco Systems (ticker: CSCO).

Crocs is the maker and retailer of colorful clogs and lightweight shoes made from their proprietary Croslite material. The stock price had suffered due to questionable management and continuously disappointing shareholders with business underperformance. Early in the quarter, we felt that the beaten down stock price compensated us for the uncertainty in the business. As the quarter progressed, rumors of a potential buyout or strategic partnership began circulating. During the last week of the quarter, the rumors proved true. The company announced an investment by the private equity firm Blackstone, as well as their questionable CEO's retirement. As the uncertainty cleared, the stock price increased accordingly. We sold as the stock neared our estimate of intrinsic value.

LabCorp, one of the two largest independent medical lab providers in the U.S., has sold off due to concern over reduced reimbursement

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and lower utilization, which is to say that the number of lab tests went down as people are shifted into healthcare plans that require more out-of-pocket costs for patients. The reimbursement concern is due to a reduction in what Medicare and Medicaid will pay to lab providers. We think that, even assuming a lower level of reimbursement, the company's stock was oversold, and we were able to establish an initial position.

Finally, Cisco, which is the market leader in network switching and routing equipment, experienced a November sell-off caused by weak guidance in emerging markets of Asia. Because we take a longer view of a company's business cycle, we are less concerned about the next couple of quarters being below expectations. We believe we are able to buy a business that has a balance sheet loaded with cash and investments (more than $40 billion) and what we consider an attractive return on capital.

Top Ten Equity Holdings	(% of net assets)
World Wrestling Entertainment, Inc.	3.8%
Bio-Rad Laboratories, Inc.	2.8%
Newfield Exploration Co.	2.6%
Laboratory Corp. of America Hlds.	2.5%
Microsoft Corp.	2.2%
The Bank of New York Mellon Corp.	2.1%
Cisco Systems, Inc.	2.0%
FTI Consulting, Inc.	2.0%
Amdocs Ltd.	2.0%
Ingram Micro, Inc.	2.0%

Top ten holdings are as of December 31, 2013. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

For the full year, the Fund's worst performers were our precious metal holdings: Pan America Silver (ticker: PAAS), Newmont Mining Corp (ticker: NEM), and Royal Gold (ticker: RGLD). Because market concern about inflation remains low, and investors' optimism about economic improvement remains high, precious metal stocks have suffered, and our holdings are no different in this respect. We continue to believe, however, that the market is underestimating the value of these companies.

In contrast to our bottom performers, our top performers for the year were World Wrestling Entertainment (ticker: WWE), whose stock price has rallied on optimism of a new TV rights deal; Bill Barrett Corp (ticker: BBG), which began the year near a multi-year low; and Bank of New York Mellon (ticker: BK), which has seen its billable Assets under Custody (AUC) grow due to the market's rise. This in turn has led to improved fees for the company, in addition to the prospect of our original investment thesis playing out: that increased interest rates will lead to higher net interest margin (this is the amount of net interest that a bank earns on its assets).

At the close of the quarter, the average discount within the Fund was 8%. Each stock's discount is found by comparing its stock price to our estimate of its corresponding intrinsic value. As the market rises, typically that average discount within the Fund shrinks, unless we can find replacement ideas that have greater discounts. This is where we must continue to scour the market. We are not satisfied with the number of attractive opportunities in the market today, but we continue to research companies, and when we feel we have an opportunity, we will purchase. When we feel we have a good business that is not at a discount, we add it to our watch list on the possibility that it may be cheap enough in the future to own. Today's market makes this process somewhat unrewarding for us, but it is necessary. As always, we truly appreciate your investment and wish you a prosperous 2014.

Sincerely,

Gregg 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.

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