



Request for  
Information

2017

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This Request for Information for 2017 is current as of December 31, 2016. There can be no assurances that all the information contained herein is current as of any date thereafter. Past performance of Intrepid Capital is not a guarantee of future performance.

## Contact Information

Firm Name: Intrepid Capital Management, Inc.  
Mailing Address: 1400 Marsh Landing Parkway Suite 106  
Jacksonville Beach, FL 32250

Main Telephone Number: 904-246-3433  
Main Fax Number: 904-246-3533  
Web Address: [www.intrepidcapitalfunds.com](http://www.intrepidcapitalfunds.com)

Primary Contact: **Matt Berquist, CFP®, CIMA®**  
*COO, Director – Sales & Marketing*  
E-mail: [mberquist@intrepidcapital.net](mailto:mberquist@intrepidcapital.net)  
904-246-3433 ext. 1226

Secondary Contact: **Chris Pilinko, CFP®**  
*Vice President*  
E-mail: [cpilinko@intrepidcapital.net](mailto:cpilinko@intrepidcapital.net)  
904-246-3433 ext. 1230

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## Introduction to Intrepid Capital

### Company Overview

Intrepid Capital Management, Inc., (“Intrepid Capital Management”, “Intrepid Capital” or the “Firm”), a Florida corporation, incorporated in 1994, is a wholly owned subsidiary of Intrepid Capital Corporation (“Intrepid Capital Corp.”) and an investment adviser registered with the SEC under the Investment Advisers Act of 1940.

Our story began in 1994 when Mark Travis and his father Forrest founded Intrepid Capital in Jacksonville, Florida, far from Wall Street. That decision set the tone for a company focused on its own strategy and not “The Street.” As the Firm has grown, our independent thinking has remained steadfast.

Our mission at Intrepid Capital is to enrich the lives of our clients, employees and shareholders through a disciplined investment process and enduring partnerships. We strive to earn our clients’ trust by putting their interests first, along with mutual ownership of investment strategies and contribution to our community through responsible citizenship.

We now manage \$915 million for individuals and institutional investors through a combination of separately managed accounts, no-load mutual funds, a long/short hedge fund, and an offshore product. Intrepid Capital employees co-invest alongside our clients.

Intrepid Capital takes a contrarian approach to investing, but it’s based on risk-control, not risk-taking. Explains Mark Travis, President/Chief Executive Officer (“CEO”), “The herd mentality runs deep in this industry. It’s warmest in the center of the herd, but I never felt the need to be part of it. We avoid index-hugging. We’re paid to be uncomfortable. We succeed because we’ve done all the homework ourselves, and we take a very conservative approach to valuing a business before we buy shares. We practice classical security analysis armed with the most sophisticated tools and always with a complete and total dedication to our process.”

Mark Travis and Intrepid Capital’s management team credit their Jacksonville Beach home base for helping the company never lose sight of the long-term outlook. “Our perspective is preserved here. We are raising families and building our lives here. Some of us surf, a few of us boat and fish, others spend weekends at kids’ football games, and it all helps keep us focused on the long term and what really matters,” says Travis. “It makes us a better company and better managers for our clients. Our responsibilities both in business and outside of business are great, and we understand that the first and most important thing we can do for our clients is to protect and grow their investment with us.”

If there’s one thing to understand about how we do business at Intrepid Capital, it’s this: we are committed to the constant pursuit of value. This means that we look for the best value investing ideas

with the goal of participating in the upside when markets rise and protecting capital on the downside. For our clients, this strategy fosters the confidence of a financial partner that is dedicated to their long-term goals.

### **Business Continuity Plan**

Intrepid Capital operates with the goal to align employee incentives with the long-term goals of the Firm, our clients, and our shareholders. Over the years, the Firm has worked to establish plans to solidify long term business continuity. Among these are a leadership succession plan and an Employee Stock Ownership Plan (ESOP) to build employee ownership of the Firm.

### **Assets Under Management (AUM)**

Intrepid Capital managed \$915 million in assets as of December 31, 2016. Below is a table outlining the breakdown of assets under management.

Intrepid Capital AUM (millions)	2016	2015	2014	2013	2012
<b>Total Firm Assets</b>	\$915.4	\$794.4	\$1,266.9	\$1,421.4	\$1,362.2
<b>SMA Assets</b>	\$71.4	\$73.4	\$80.4	\$82.9	\$73.7
<b>Intrepid, L.P Assets</b>	\$41.1	\$37.5	\$44.8	\$38.9	\$34.4
<b>Mutual Fund Assets</b>	\$802.9	\$682.3	\$1,141.7	\$1,299.6	\$1,254.1

*\*Mutual Fund assets for calendar years 2012, 2013, 2014, and 2015 include the Intrepid Small Cap UCITS Fund. More information on the Intrepid Small Cap UCITS Fund is available upon request.*

## Disclosures

*The Mutual Funds investment objectives, risks charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and it may be obtained by calling 866-996-FUND. Read it carefully before investing.*

The Intrepid International Fund and the Intrepid Select Fund are non-diversified (meaning that compared to diversified mutual funds, the Fund may invest a greater percentage of its assets in a particular issuer). A non-diversified Fund's shares may be more susceptible to adverse changes in the value of a particular security than would be the shares of a diversified mutual fund. Thus, a non-diversified Fund may be more sensitive to economic, business and political changes, because of the larger impact of fluctuation in the values of securities of fewer issuers. The Intrepid Capital, Endurance, Select and International Funds invest in smaller companies, which involve additional risks such as limited liquidity and greater volatility. The Intrepid Capital, Income and Disciplined Value Funds invest in debt securities, which typically decrease in value when interest rates rise. This risk is usually greater for longer term debt securities. Investment by these Funds in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. The Funds may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. The risks of owning ETFs generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying portfolio of securities. ETFs also have management fees that increase their costs versus the costs of owning the underlying securities directly. ADRs may be subject to some of the same risks as direct investment in foreign companies, which includes international trade, currency, political, regulatory and diplomatic risks.

Diversification does not guarantee a profit or protect from loss in a declining market.

While the Funds are no load, management fees and other expenses still apply.

The Intrepid Capital Funds are distributed by Quasar Distributors, LLC.

## Investment Products

Intrepid Capital offers equity and fixed income investment strategies. These strategies are available as separately managed accounts, mutual funds, and a long/short hedge fund. The following is a description of our various strategies.

### Intrepid Small Cap

#### Portfolio Management

Jayme C. Wiggins, CFA, CIO

#### Investment Objective and Principal Investment Strategy

The Intrepid Small Cap Portfolio's primary objective is long-term capital appreciation. The Portfolio seeks to achieve this objective by investing in common stocks of small capitalization companies.

#### Inception Date

October 31, 1998

#### Benchmark Index

Russell 2000

#### Product Format

Separately Managed Accounts

- The standard management fee for Small Cap separately managed accounts is 1.00% per annum on accounts of \$3M - \$10M in value. The fee is negotiable on accounts greater than \$10M.

Mutual Fund

- Intrepid Endurance Fund - Investor Class (Ticker: ICMAX)
- Intrepid Endurance Fund - Institutional Class (Ticker: ICMZX)

GIPS Performance can be found on pages 10 and 11.

**Intrepid Capital Management**  
**Small Cap Composite**  
**October 31, 1998 through December 31, 2016**

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of portfolios	Composite Dispersion (%)	Composite Assets (\$ M)	Composite % of Firm Assets
1998	5.4	5.0	11.8	N/A	N/A	<5	N/A	1.1	1.1
1999	-8.0	-8.6	21.3	N/A	N/A	<5	N/A	4.7	5.1
2000	18.8	17.9	-3.0	N/A	N/A	<5	2.0	4.1	3.9
2001	21.7	20.5	2.5	12.5	23.5	5	.5	7.4	8.3
2002	9.9	8.8	-20.5	11.3	24.7	10	.1	9.6	2.1
2003	18.2	16.9	47.3	11.7	21.9	17	.9	19.6	3.4
2004	14.1	12.8	18.3	9.8	19.2	21	0.5	11.5	2.1
2005	4.6	3.4	4.6	8.1	15.3	21	0.5	19.7	3.6
2006	13.2	11.8	18.4	6.7	13.9	23	1.0	22.1	5.0
2007	9.8	8.6	-1.6	6.1	13.4	19	1.3	24.7	6.1
2008	-5.3	-6.4	-33.8	9.2	20.1	20	0.6	48.7	15.2
2009	40.6	39.1	27.2	15.3	25.2	5	N/A	305.4	48.5
2010	20.7	19.5	26.9	17.4	28.1	6	N/A	728.9	60.0
2011	3.1	2.1	-4.2	16.7	25.3	5	N/A	687.9	55.9
2012	10.3	9.2	16.4	11.7	20.5	5	N/A	728.4	53.4
2013	13.5	12.3	38.8	8.2	16.7	5	N/A	719.3	50.7
2014	2.7	1.7	4.9	5.1	13.3	<5	N/A	566.3	44.8
2015	-4.5	-5.4	-4.4	4.6	14.2	<5	N/A	264.5	34.2
2016	9.4	8.3	21.3	4.1	16.0	<5	N/A	245.2	27.4

\*Data for 1998 is not annualized. Data is for the period October 31, 1998 (inception) through December 31, 1998.

Notes:

- Intrepid Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Intrepid has been independently verified by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. Previously, verification was received from The GriggsGroup for the period 12/31/94 – 12/31/05 and from KPMG for 1998. Verification assesses whether (1) the firm has complied with all the composite construction requirement of the GIPS Standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Small Cap Composite has been examined by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. The verification and performance examination reports are available upon request.

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2. The “Firm” is defined as Intrepid Capital Management, Inc. (Intrepid), a registered investment advisor with the Securities and Exchange Commission. Registration with the SEC does not imply a certain level of skill or training. Intrepid was founded in 1994 and its primary business activity is providing investment advisory services to a series of open-end mutual funds consisting of six portfolios. In addition, the Firm manages equity, fixed-income, and balanced portfolios for corporate, institutional, and high net worth individuals and families. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance does not guarantee future results.
3. The Small Cap Composite primarily invests in small capitalization common stocks. The focus is on securities that are selling at significant discounts to their intrinsic values and possess operating catalysts that are capable of increasing their market values meaningfully in a timely manner. Accounts hold a cash balance that could impact performance and may represent a substantial portion of the composite if a temporary shortage of attractively valued securities exists. Accounts may also hold a small percentage of convertible securities.
4. From October 3, 2005 forward, the composite includes all assets in Intrepid’s mutual fund managed to the same strategy.
5. The benchmark is the Russell 2000 Index. Benchmark returns are not covered by the report of independent verifiers.
6. Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.
7. Securities transactions are accounted for on the trade date.
8. Gross-of-fees performance returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Gross-of-fees fund returns are calculated by grossing up NAV returns by the fund’s actual trailing annual total expense ratio. The standard management fee for small cap accounts is 1.00% per annum on accounts of \$3 million to \$10 million USD and negotiable on additional assets. The management fee for the corresponding mutual fund is 1.00% per annum. Net returns are calculated by reducing separate account gross returns by our actual quarterly management fee and fund gross returns by a model management fee of 1.00% per annum.
9. The Small Cap Composite originated December 31, 2013, and the related investment strategy originated October 31, 1998. A complete list and description of firm composites is available upon request.
10. From January 1, 2002 forward, composite dispersion is the asset-weighted standard deviation of account returns represented within the composite for the entire year. Dispersion is not shown for years in which 5 or less portfolios were present for the entire year.
11. Effective 12/31/2004, the minimum account size for inclusion into the Small Cap Composite is \$50,000 USD. Previously, the minimum account size for all composites was \$25,000 USD.
12. Since 2003, significant contributions and withdrawals of 20% of an account or greater result in the removal of the account from the composite during the month of the significant cash flow. The account is excluded from the composite until it satisfies Intrepid’s new account inclusion criteria. Additional information regarding significant cash flows is available upon request.
13. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

## Intrepid Balanced

### Portfolio Management

Mark F. Travis, President, CEO (Lead Portfolio Manager)

Jayne C. Wiggins, CFA, CIO

Jason B. Lazarus, CFA, Vice President

### Investment Objective and Principal Investment Strategy

The Intrepid Balanced Portfolio's primary objective is long-term capital appreciation and high current income. The Portfolio seeks to achieve this objective by investing primarily in common stocks of small and mid-capitalization companies and high-yield securities.

### Inception Date

April 30, 1995

### Benchmark Indexes

S&P 500 Index

60% S&P 500 Index / 40% BofA Merrill Lynch High Yield Index

### Product Format

Separately Managed Accounts

- The standard management fee for Balanced separately managed accounts is 1.00% per annum on accounts of \$3M - \$10M in value. The fee is negotiable on accounts greater than \$10M.

Mutual Fund

- Intrepid Capital Fund - Investor Class (Ticker: ICMBX)
- Intrepid Capital Fund - Institutional Class (Ticker: ICMVX)

GIPS Performance can be found on pages 13, 14, and 15.

**Intrepid Capital Management  
Balanced Composite  
April 30, 1995 through December 31, 2016**

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of portfolios	Composite Dispersion (%)	Composite Assets (\$ M)	Composite % of Firm Assets
1995	13.3	12.2	16.0	N/A	N/A	12	N/A	3.4	5.5
1996	16.2	14.5	18.4	N/A	N/A	20	3.2	19.0	25.0
1997	26.5	25.2	24.6	N/A	N/A	26	8.1	20.8	31.5
1998	10.3	10.0	18.0	12.9	11.0	32	4.4	28.4	28.1
1999	3.8	2.8	13.5	13.0	11.4	20	5.2	17.1	18.5
2000	10.0	8.9	-7.0	12.5	12.0	30	7.0	21.5	20.4
2001	14.0	12.5	-4.7	8.7	11.5	33	3.5	24.8	27.8
2002	0.8	-0.5	-13.3	9.6	13.6	56	1.2	41.4	8.8
2003	24.5	22.9	29.1	8.8	13.7	81	2.4	72.6	12.6
2004	12.9	11.6	10.9	8.1	11.4	73	1.2	71.6	13.2
2005	2.7	1.4	4.1	6.6	6.7	51	0.6	96.4	17.7
2006	14.7	13.4	14.2	5.7	5.1	51	2.1	102.8	23.4
2007	3.8	2.7	4.2	5.4	6.1	42	2.2	101.4	25.2
2008	-15.7	-16.6	-32.9	10.9	14.2	40	0.8	86.7	27.1
2009	32.7	31.3	38.6	12.6	17.8	18	1.8	133.1	21.1
2010	16.9	15.7	15.4	13.6	19.0	10	0.5	305.7	25.2
2011	3.9	2.8	3.1	10.2	14.7	14	0.4	355.5	28.9
2012	12.4	11.2	15.9	9.5	11.6	12	0.5	425.1	31.1
2013	16.2	15.0	21.9	8.3	9.5	10	0.2	472.4	33.3
2014	6.6	5.6	9.1	6.4	6.8	10	0.3	477.8	37.8
2015	-5.3	-6.3	-1.0	7.2	8.1	7	N/A	299.3	38.7
2016	16.5	15.3	14.2	7.5	8.2	9	.5	417.9	46.8

\*Data for 1995 is not annualized. Data is for the period from April 30, 1995 (inception) to December 31, 1995  
Notes:

1. Intrepid Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Intrepid has been independently verified by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. Previously, verification was received from The GriggsGroup for the period 12/31/94 –

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12/31/05 and from KPMG for 1998. Verification assesses whether (1) the firm has complied with all the composite construction requirement of the GIPS Standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Balanced Composite has been examined by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. The verification and performance examination reports are available upon request.

2. The "Firm" is defined as Intrepid Capital Management, Inc. (Intrepid), a registered investment advisor with the Securities and Exchange Commission. Registration with the SEC does not imply a certain level of skill or training. Intrepid was founded in 1994 and its primary business activity is providing investment advisory services to a series of open-end mutual funds consisting of six portfolios. In addition, the Firm manages equity, fixed-income, and balanced portfolios for corporate, institutional, and high net worth individuals and families. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance does not guarantee future results.
3. The Balanced Composite primarily invests in small, mid, and large capitalization common stocks and below-investment grade corporate bonds issued by attractive high-quality businesses worldwide. The equity emphasis is on finding businesses where the current valuation is at a discount to their long-term intrinsic value. The fixed income instruments, which are primarily high-yield debt and short-term in nature, provide attractive returns relative to their risk.
4. From January 3, 2005 forward, the composite includes all assets in Intrepid's mutual fund managed to the same balanced strategy.
5. The benchmark is 60% S&P 500 / 40% BofA Merrill Lynch High Yield Index. Prior to January 1, 2005, the fixed income portion of the benchmark was the Salomon High Yield Short-Term Index. From January 1, 2005 forward, the fixed income portion of the benchmark is the BofA Merrill Lynch High Yield Index. Benchmark returns have not been changed retroactively and are not covered by the report of independent verifiers. The BofA Merrill Lynch High Yield Index is widely known and more representative of our intended strategy. Monthly returns for the S&P 500 and BofA Merrill Lynch High Yield Index are multiplied by their respective benchmark weighting, and the benchmark is rebalanced monthly. In 2016, the name of this index referenced herein was changed from the Merrill Lynch High Yield Master II Index to the BofA Merrill Lynch High Yield Index.
6. Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.
7. Securities transactions are accounted for on the trade date and accrual accounting is used for interest.
8. Gross-of-fees performance returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Gross-of-fees fund returns are calculated by grossing up NAV returns by the fund's actual trailing annual total expense ratio. The standard management fee for balanced accounts is 1.00% per annum on accounts of \$3 million to \$10 million USD and negotiable on additional assets. The management fee for the corresponding mutual fund is 1.00% per annum. Net returns are calculated by reducing separate account gross returns by our actual quarterly management fee and fund gross returns by a model management fee of 1.00% per annum.
9. The Balanced Composite originated December 31, 2013, and the related investment strategy originated April 30, 1995. A complete list and description of firm composites is available upon request.
10. Composite dispersion is the asset-weighted standard deviation of account returns represented within the composite for the entire year.
11. Effective December 31, 2004, the minimum account size for inclusion into the Balanced Composite is \$200,000 USD. Previously, the minimum account size for all composites was \$25,000 USD.
12. Since 2003, significant contributions and withdrawals of 20% of an account or greater result in the removal of the account from the composite during the month of the significant cash flow. The account is excluded from the composite until it satisfies Intrepid's new account inclusion criteria. Additional information regarding significant cash flows is available upon request.

13. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

## Intrepid Disciplined Value

### Portfolio Management

Mark F. Travis, President, CEO

### Investment Objective and Principal Investment Strategy

The Intrepid Disciplined Value Portfolio's primary objective is long-term capital appreciation. The Portfolio seeks to achieve this objective by investing in equity securities of any size capitalization companies. Equity securities in which the Portfolio may invest include common stocks, preferred stocks, convertible preferred stocks, warrants and foreign securities, which include American Depository Receipts ("ADRs").

### Inception Date

March 31, 1996

### Benchmark Index

S&P 500

### Product Format

Separately Managed Accounts

- The standard management fee for Disciplined Value separately managed accounts is 1.00% per annum on accounts of \$3M - \$10M in value. The fee is negotiable on accounts greater than \$10M.

Mutual Fund

- Intrepid Disciplined Value Fund – Investor Class (Ticker: ICMCX)

GIPS Performance can be found on pages 16, 17, and 18.

**Intrepid Capital Management**  
**Disciplined Value Composite**  
**March 31, 1996 through December 31, 2016**

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of portfolios	Composite Dispersion (%)	Composite Assets (\$ M)	Composite % of Firm Assets	Carve-out % of Composite
1996	18.7	17.4	16.7	N/A	N/A	16	N/A	3.9	5.1	N/A
1997	29.3	27.4	33.3	N/A	N/A	22	6.5	8.0	12.2	N/A
1998	17.4	16.4	28.6	N/A	N/A	41	3.2	11.8	11.7	N/A
1999	-1.9	-3.1	21.0	16.1	16.8	16	7.7	5.7	6.1	N/A
2000	14.0	13.0	-9.2	16.7	17.7	12	1.6	3.1	2.9	N/A
2001	15.8	14.6	-11.9	13.2	16.9	15	3.3	4.7	5.2	N/A
2002	-4.9	-6.1	-22.2	15.3	18.8	76	1.4	25.3	5.4	76.3
2003	21.0	19.5	28.6	14.5	18.3	100	3.1	43.5	7.5	81.8
2004	14.7	13.3	10.9	13.6	15.1	92	1.9	47.2	8.7	82.4
2005	4.1	2.8	4.9	10.2	9.2	68	0.9	50.9	9.4	81.0
2006	16.1	14.7	15.8	7.6	6.9	65	1.1	53.9	12.2	77.6
2007	1.3	0.1	5.5	7.3	7.8	49	1.0	50.9	12.7	76.7
2008	-20.2	-21.2	-37.0	14.6	15.3	55	1.8	44.2	13.8	66.6
2009	32.6	31.0	26.5	17.7	19.9	19	3.4	42.9	6.8	50.9
2010	18.4	17.1	15.1	19.0	22.2	<5	N/A	34.3	2.8	N/A
2011	0.9	-0.1	2.1	15.1	19.0	<5	N/A	42.9	3.5	N/A
2012	12.1	10.9	16.0	12.6	15.3	<5	N/A	37.0	2.7	N/A
2013	20.1	18.9	32.4	10.5	12.1	<5	N/A	46.8	3.3	N/A
2014	9.2	8.1	13.7	6.8	9.1	<5	N/A	48.2	3.8	N/A
2015	-2.5	-3.4	1.4	6.5	10.6	<5	N/A	45.2	5.8	N/A
2016	13.4	12.3	12.0	6.5	10.7	<5	N/A	49.1	5.5	N/A

\*Data for 1996 is not annualized. Data is for the period March 31, 1996 (inception) to December 31, 1996

Notes:

1. Intrepid Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Intrepid has been independently verified by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. Previously, verification was received from The GriggsGroup for the period 12/31/94 – 12/31/05 and from KPMG for 1998. Verification assesses whether (1) the firm has complied with all the

## Request for Information

composite construction requirement of the GIPS Standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Disciplined Value Composite has been examined by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. The verification and performance examination reports are available upon request.

2. The "Firm" is defined as Intrepid Capital Management, Inc. (Intrepid), a registered investment advisor with the Securities and Exchange Commission. Registration with the SEC does not imply a certain level of skill or training. Intrepid was founded in 1994 and its primary business activity is providing investment advisory services to a series of open-end mutual funds consisting of six portfolios. In addition, the Firm manages equity, fixed-income, and balanced portfolios for corporate, institutional, and high net worth individuals and families. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance does not guarantee future results.
3. The Disciplined Value Composite invests in small, mid, and large capitalization common stocks. The primary emphasis is on finding attractive high-quality businesses having above average earnings, returns on capital, and returns on equity, where the current valuation is at a discount to their long-term intrinsic value. Prior to January 1, 2002, the Disciplined Value Composite included all dedicated, fully discretionary equity portfolios. From January 1, 2002 to December 31, 2009, the Disciplined Value Composite included all dedicated, fully discretionary equity portfolios, as well as the equity segment of Balanced Composite portfolios. Cash was allocated to the carve-out based on beginning-of-period asset class weightings. The carve-out percentage of the composite is stated as of December 31 of each year. From January 1, 2010 to June 30, 2010, the Disciplined Value Composite included all dedicated, fully discretionary equity portfolios, as well as equity sub-portfolios of Balanced Composite portfolios with asset weighted cash from Balanced Composite portfolios allocated to the sub-portfolios. From July 1, 2010 forward, the composite no longer included sub-portfolios.
4. From November 1, 2007 forward, the composite includes all assets in Intrepid's mutual fund managed to the same strategy.
5. The benchmark is the S&P 500 Index. Benchmark returns are not covered by the report of independent verifiers.
6. Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.
7. Securities transactions are accounted for on the trade date.
8. Gross-of-fees performance returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Gross-of-fees fund returns are calculated by grossing up NAV returns by one-twelfth of the fund's actual trailing annual total expense ratio. The standard management fee for equity accounts is 1.00% per annum on accounts of \$3 million to \$10 million USD and negotiable on additional assets. The management fee for the corresponding mutual fund is 1.00% per annum. Net returns are calculated by reducing separate account gross returns by our actual quarterly management fee and fund gross returns by a model management fee of 1.00% per annum.
9. The Disciplined Value Composite originated December 31, 2013, and the related investment strategy originated March 31, 1996. A complete list and description of firm composites is available upon request.
10. From January 1, 2002 forward, composite dispersion is the asset-weighted standard deviation of account returns represented within the composite for the entire year. Dispersion is not shown for years in which 5 or less portfolios were present for the entire year.
11. Effective December 31, 2004, the minimum account size for inclusion into the Disciplined Value Composite is \$50,000 USD. Previously, the minimum account size for all composites was \$25,000 USD.
12. Since 2003, significant contributions and withdrawals of 20% of an account or greater result in the removal of the account from the composite during the month of the significant cash flow. The account is excluded from the composite until it satisfies Intrepid's new account inclusion criteria. Additional information regarding significant cash flows is available upon request.

13. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

## **Intrepid Income**

### **Portfolio Management**

Jason B. Lazarus, CFA, Vice President  
Clay Kirkland, CFA, Research Analyst

### **Investment Objective and Principal Investment Strategy**

The Intrepid Income Portfolio's primary objective is high current income and long-term capital appreciation. The Portfolio seeks to achieve this objective by investing primarily in fixed income securities consisting principally of high-yield corporate debt securities (sometimes referred to as "junk bonds"), bank debt (including loan assignments and participations), convertible debt, and U.S. government securities. The Portfolio may also invest in investment grade corporate debt securities, as well as the debt of foreign issuers. In addition, the Portfolio may invest in equity securities, consisting principally of dividend-paying common stock or preferred stock.

### **Inception Date**

April 30, 1999

### **Benchmark Index**

BofA Merrill Lynch High Yield Index

### **Product Formats**

Separately Managed Accounts

- The standard management fee for Income separately managed accounts is 0.75% per annum on accounts with \$10M - \$100M in value. The fee is negotiable on accounts greater than \$100M.

Mutual Fund

- Intrepid Income Fund – Institutional Class (Ticker: ICMUX)

GIPS Performance can be found on pages 19 and 20.

**Intrepid Capital Management**  
**Income Composite**  
**April 30, 1999 through December 31, 2016**

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of portfolios	Composite Dispersion (%)	Composite Assets (\$ M)	Composite % of Firm Assets	Carve-out % of Composite
1999	-1.2	-2.0	-.3	N/A	N/A	<5	N/A	0.7	0.7	N/A
2000	2.2	1.1	-4.4	N/A	N/A	5	N/A	29.7	28.2	N/A
2001	18.8	18.1	6.1	N/A	N/A	<5	3.7	15.6	17.5	N/A
2002	5.5	4.7	.9	6.4	10.0	62	1.9	39.5	8.4	56.1
2003	27.2	26.2	29.3	6.4	10.5	89	2.5	64.7	11.2	57.0
2004	11.3	10.4	10.7	5.6	8.5	81	1.3	60.3	11.1	56.1
2005	0.1	-0.7	2.7	5.5	5.3	55	1.0	46.8	8.6	58.9
2006	9.9	9.0	11.8	4.4	3.7	53	1.6	33.4	7.6	91.7
2007	4.3	3.5	2.2	3.8	4.6	42	0.3	52.4	13.0	52.4
2008	-10.1	-10.7	-26.4	6.8	13.5	40	0.7	53.1	16.6	47.3
2009	29.3	28.3	57.5	8.1	17.0	18	2.2	80.9	12.9	22.5
2010	7.4	6.6	15.2	8.0	17.2	9	0.2	83.7	6.9	N/A
2011	5.8	5.0	4.4	4.4	11.2	13	0.1	100.0	8.1	N/A
2012	7.1	6.2	15.6	2.0	7.1	12	0.1	113.5	8.3	N/A
2013	4.4	3.6	7.4	1.9	6.5	12	0.1	118.2	8.3	N/A
2014	-0.1	-0.8	2.5	1.9	4.5	<5	N/A	96.9	7.7	N/A
2015	-0.4	-1.1	-4.6	2.4	5.3	<5	N/A	79.2	10.2	N/A
2016	9.4	8.5	17.5	3.1	6.1	<5	N/A	79.8	8.9	N/A

\*Data for 1999 is not annualized. Data is for the period April 30, 1999 (inception) through December 31, 1999.

Notes:

1. Intrepid Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Intrepid has been independently verified by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. Previously, verification was received from The GriggsGroup for the period 12/31/94 – 12/31/05 and from KPMG for 1998. Verification assesses whether (1) the firm has complied with all the composite construction requirement of the GIPS Standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Income Composite has been examined by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. The verification and performance examination reports are available upon request.
2. The “Firm” is defined as Intrepid Capital Management, Inc. (Intrepid), a registered investment advisor with the Securities and Exchange Commission. Registration with the SEC does not imply a certain level of skill or training.

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Intrepid was founded in 1994 and its primary business activity is providing investment advisory services to a series of open-end mutual funds consisting of six portfolios. In addition, the Firm manages equity, fixed-income, and balanced portfolios for corporate, institutional, and high net worth individuals and families. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance does not guarantee future results.

3. The Income Composite primarily invests in below-investment grade corporate bonds and other high yield securities issued by attractive businesses worldwide. These securities are usually short-term in nature and provide attractive returns relative to their risk. Prior to January 1, 2002, the Income Composite included all dedicated, fully discretionary high yield portfolios. From January 1, 2002 to December 31, 2009, the Income Composite included all dedicated, fully discretionary high yield portfolios, as well as the fixed income segment of Balanced Composite portfolios. Cash was allocated to the carve-out based on beginning-of-period asset class weightings. The carve-out percentage of the composite is stated as of December 31 of each year. From January 1, 2010 to May 31, 2014, the Income Composite includes all dedicated, fully discretionary high yield portfolios, as well as high yield sub-portfolios of Balanced Composite portfolios with asset weighted cash from Balanced Composite portfolios allocated to the sub-portfolios. From June 1, 2014 forward, the composite no longer included sub-portfolios.
4. From July 2, 2007 forward, the composite includes all assets in Intrepid's mutual fund managed to the same strategy.
5. Prior to January 1, 2005, the benchmark was the Salomon High Yield Short-Term Index. From January 1, 2005 forward, the benchmark is the BofA Merrill Lynch High Yield Index. Benchmark returns have not been changed retroactively and are not covered by the report of independent verifiers. The BofA Merrill Lynch High Yield Index is widely known and more representative of our intended strategy. In 2016, the name of this index referenced herein was changed from the Merrill Lynch High Yield Master II Index to the BofA Merrill Lynch High Yield Index.
6. Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.
7. Securities transactions are accounted for on the trade date and accrual accounting is used for interest.
8. Gross-of-fees performance returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Gross-of-fees fund returns are calculated by grossing up NAV returns by the fund's actual trailing annual total expense ratio. The standard management fee for high yield accounts is 0.75% per annum, and the management fee for the corresponding mutual fund is 0.75% per annum. Net returns are calculated by reducing separate account gross returns by our actual quarterly management fee and fund gross returns by a model management fee of 0.75% per annum.
9. The Income Composite originated on December 31, 2013, and the related investment strategy originated April 30, 1999. A complete list and description of firm composites is available upon request.
10. Composite dispersion is the asset-weighted standard deviation of account returns represented within the composite for the entire year. Dispersion is not shown for years in which five or less portfolios were present for the entire year.
11. Effective December 31, 2004, the minimum account size for inclusion into the Income Composite is \$100,000 USD. Previously, the minimum account size for all composites was \$25,000 USD.
12. Since 2003, significant contributions and withdrawals of 20% of an account or greater result in the removal of the account from the composite during the month of the significant cash flow. The account is excluded from the composite until it satisfies Intrepid's new account inclusion criteria. Additional information regarding significant cash flows is available upon request.
13. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period

## Intrepid International

### Portfolio Management

Ben Franklin, CFA, Vice President

Matt Parker, CPA, Research Analyst

### Investment Objective and Principal Investment Strategy

The Intrepid International Portfolio's primary objective is long-term capital appreciation. The Portfolio seeks to achieve this objective by investing in foreign companies (also referred to as non-U.S. companies) of any size market capitalization. The Portfolio will invest primarily in developed markets. Equity securities in which the Portfolio may invest include common stocks, preferred stocks, convertible preferred stocks, warrants, options, Global Depositary Receipts ("GDRs"), American Depositary Receipts ("ADRs"), American Depositary Shares ("ADSs") and exchange-traded funds (ETFs). Currency risk will be mitigated through the use of hedging when cost effective.

### Inception Date

May 31, 2014

### Benchmark Index

MSCI EAFE Index

### Product Format

Separately Managed Accounts

- The standard management fee for International separately managed accounts is 1.00% per annum on accounts of \$3M - \$10M in value. The fee is negotiable on accounts greater than \$10M.

Mutual Fund

- Intrepid International Fund – Investor Class (Ticker: ICMIX)

GIPS Performance can be found on pages 22 and 23.

**Intrepid Capital Management**  
**International Composite**  
**May 31, 2014 through December 31, 2016**

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of portfolios	Composite Dispersion (%)	Composite Assets (\$ M)	Composite % of Firm Assets
2014	-1.4	-2.0	-8.4	N/A	N/A	<5	N/A	0.5	0.0
2015	-2.6	-3.6	-0.8	N/A	N/A	<5	N/A	8.5	1.1
2016	18.4	17.2	1.0	N/A	N/A	<5	N/A	17.4	1.9

\*Data for 2014 is not annualized. Data is for the period May 31, 2014 (inception) through December 31, 2014.

Notes:

1. Intrepid Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Intrepid has been independently verified by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. Previously, verification was received from The GriggsGroup for the period 12/31/94 – 12/31/05 and from KPMG for 1998. Verification assesses whether (1) the firm has complied with all the composite construction requirement of the GIPS Standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Composite has been examined by ACA Performance Services, LLC for the period 5/31/14 - 12/31/16. The verification and performance examination reports are available upon request.
2. The “Firm” is defined as Intrepid Capital Management, Inc. (Intrepid), a registered investment advisor with the Securities and Exchange Commission. Registration with the SEC does not imply a certain level of skill or training. Intrepid was founded in 1994 and its primary business activity is providing investment advisory services to a series of open-end mutual funds consisting of six portfolios. In addition, the Firm manages equity, fixed-income, and balanced portfolios for corporate, institutional, and high net worth individuals and families. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance does not guarantee future results.
3. The International Composite primarily invests in the equity instruments of attractive high-quality businesses that trade on exchanges outside the U.S. The focus of the strategy is on finding businesses where the current valuation is at a discount to their long-term intrinsic value.
4. The benchmark is the MSCI EAFE index. Benchmark returns are not covered by the report of independent verifiers.
5. Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.
6. Securities transactions are accounted for on the trade date.
7. Gross-of-fees performance returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. The standard management fee for international accounts is 1.00% per annum on accounts of \$3 million to \$10 million USD and negotiable on additional assets. Net returns are calculated by reducing gross returns by our actual quarterly management fee.
8. The International Composite and related investment strategy originated May 31, 2014. A complete list and description of firm composites is available upon request.
9. Composite dispersion is the asset-weighted standard deviation of account returns represented within the composite for the entire year. Dispersion is not shown for years in which five or less portfolios were present for the entire year.
10. The minimum account size for inclusion into the International Composite is \$50,000 USD.
11. Since inception, significant contributions and withdrawals of 20% of an account or greater result in the removal of the account from the composite during the month of the significant cash flow. The account is

excluded from the composite until it satisfies Intrepid's new account inclusion criteria. Additional information regarding significant cash flows is available upon request.

12. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The 3-year annualized ex-post standard deviation is not shown for periods when 36 monthly returns are not yet available.

## **Intrepid Select**

### **Portfolio Management**

Jayme C. Wiggins, CFA, CIO

### **Investment Objective and Principal Investment Strategy**

The Intrepid Select Portfolio's primary investment objective is long-term capital appreciation. The Portfolio seeks to achieve this objective by investing in equity securities in which the Portfolio may invest include common stocks, preferred stocks, convertible preferred stocks, warrants, options and foreign securities, which includes American Depository Receipts ("ADRs") and Global Depository Receipts ("GDRs").

### **Inception Date**

July 31, 2015

### **Benchmark Index**

S&P Midcap 400 Index  
Russell 2000 Index

### **Product Formats**

Separately Managed Accounts

- The standard management fee for Select separately managed accounts is 1.00% per annum on accounts with \$3M - \$10M in value. The fee is negotiable on accounts greater than \$10M.

Mutual Fund

- Intrepid Select Fund – Investor Class (Ticker: ICMTX)

GIPS Performance can be found on pages 24 and 25.

**Intrepid Capital Management**  
**Select Composite**  
**July 31, 2015 through December 31, 2016**

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of portfolios	Composite Dispersion (%)	Composite Assets (\$ M)	Composite % of Firm Assets
2015	-7.3	-7.7	-6.2	N/A	N/A	<5	N/A	4.9	0.6
2016	25.1	23.9	20.7	N/A	N/A	<5	N/A	14.1	1.6

\*\*Data for 2015 is not annualized. Data is for the period July 31, 2015 (inception) through December 31, 2015.

Notes:

1. Intrepid Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Intrepid has been independently verified by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. Previously, verification was received from The GriggsGroup for the period 12/31/94 – 12/31/05 and from KPMG for 1998. Verification assesses whether (1) the firm has complied with all the composite construction requirement of the GIPS Standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Select Composite has been examined by ACA Performance Services, LLC for the period of 7/31/15 – 12/31/2016. The verification and performance examination reports are available upon request.
2. The “Firm” is defined as Intrepid Capital Management, Inc. (Intrepid), a registered investment advisor with the Securities and Exchange Commission. Registration with the SEC does not imply a certain level of skill or training. Intrepid was founded in 1994 and its primary business activity is providing investment advisory services to a series of open-end mutual funds consisting of six portfolios. In addition, the Firm manages equity, fixed-income, and balanced portfolios for corporate, institutional, and high net worth individuals and families. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance does not guarantee future results.
3. The Select Composite primarily invests in the equity instruments of attractive high-quality small and mid-capitalization businesses. The focus of the strategy is on finding businesses where the current valuation is at a discount to their long-term intrinsic value. The strategy seeks to maintain a cash balance that does not exceed 10% of composite assets.
4. The benchmark is the S&P Midcap 400 Index. Benchmark returns are not covered by the report of independent verifiers.
5. Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.
6. Securities transactions are accounted for on the trade date.
7. Gross-of-fees performance returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Gross-of-fees fund returns are calculated by grossing up NAV returns by the fund’s actual trailing annual total expense ratio. The management fee for the corresponding mutual fund is 1.00% per annum. The standard management fee for select accounts is 1.00% per annum on accounts of \$3 million to \$10 million USD and negotiable on additional assets. Net returns are calculated by reducing separate account gross returns by our actual quarterly management fee and fund gross returns by a model management fee of 1.00% per annum.
8. The Select Composite and related investment strategy originated July 31, 2015. A complete list and description of firm composites is available upon request.
9. Composite dispersion is the asset-weighted standard deviation of account returns represented within the composite for the entire year. Dispersion is not shown for years in which five or less portfolios were present for the entire year.

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10. The minimum account size for inclusion into the Select Composite is \$50,000 USD.
11. Since inception, significant contributions and withdrawals of 20% of an account or greater result in the removal of the account from the composite during the month of the significant cash flow. The account is excluded from the composite until it satisfies Intrepid's new account inclusion criteria. Additional information regarding significant cash flows is available upon request.
12. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The 3-year annualized ex-post standard deviation is not shown for periods when 36 monthly returns are not yet available.

## Limited Partnership (Intrepid Capital, L.P.)

The Intrepid Capital, L.P. (the “LP”) is a privately offered long/short hedge fund primarily focused on investing in small and mid-cap equities across all sectors. The LP’s investment objective is capital preservation and long-term capital appreciation significantly in excess of the broad equity averages. We believe Intrepid Capital’s disciplined investment process allows the LP to take contrarian out-of-favor views while remaining confident in our ability to reduce risk as determined by our internal analysis. The LP’s portfolio manager and his team employ a value-oriented strategy seeking long term investments in significantly undervalued companies (in the case of short positions, overvalued) that are cash generators with clean balance sheets to create a concentrated portfolio of securities. We manage risk and position sizing in a way that we believe results in lower volatility than the S&P 500 Index.

### Portfolio Management

Lead Portfolio Manager: Mark F. Travis, President, CEO

### Inception Date

May 31, 1996

### Fund Summary

Minimum Investment:	\$500,000
Management Fee:	1% annually of net asset value, paid quarterly in advance
Performance Fee:	20% of annual capital appreciation above the high-water mark
Redemptions:	Mandatory one-year hold; once quarterly with 30 days advance notice after
Exposures:	Gross: 80-140% Net: 30-70%
High-water mark:	Yes
Auditor:	Deloitte & Touche, LLP
Introducing Broker:	Convergex Prime Services
Prime Broker:	Pershing LLC
Fund Administrator	U.S. Bancorp Fund Services, LLC
Legal Counsel:	Foley & Lardner, LLP

### Portfolio Characteristics (as of 12/31/2016)

Market Cap Range:	Core focus on small- and mid-capitalization stocks (\$100M - \$5B)
Number of Positions:	Long Stocks: Typically 30-40 positions Short Stocks: Typically 5-15 positions
Position Sizes:	Typically 0.5%-5% (at cost)
Concentration Limits:	No single position likely to exceed 8%
Geographic Concentration:	Predominantly U.S.
Sector Weights:	No minimum or limits

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Portfolio Liquidity: 87% of portfolio able to be liquidated in 1 trading day (vast majority Level 1 Securities)  
 Primary Benchmark: HFRX Equity Hedge, S&P 500 Total Return

<b>ANNUAL PERFORMANCE            NET OF FEES            5/31/1996 – 12/31/2016</b>		
YEAR	INTREPID, L.P.	S&P 500 INDEX
1996*	10.42	12.11
1997	17.77	33.36
1998	-1.89	28.58
1999	-33.91	21.04
2000	17.94	-9.10
2001	28.39	-11.93
2002	5.62	-22.06
2003	14.50	28.68
2004	9.20	10.88
2005	2.27	4.91
2006	11.77	15.79
2007	8.61	5.49
2008	0.83	-37.00
2009	20.60	26.46
2010	12.62	15.06
2011	1.99	2.11
2012	7.64	16.00
2013	10.79	32.39
2014	1.43	13.69
2015	-6.07	1.37
2016	9.88	11.96
<b>Since Inception</b>	6.49	8.05

*\*Data is not annualized for 1996. 1996 performance is from inception on 5/31/1996 to 12/31/1996.*

*Past performance should not be construed as an indicator of future performance. This is not an offering or the solicitation of an offer to purchase an interest. Any such offer or solicitation will be made to*

*qualified investors only by means of a final offering memorandum and only in those jurisdictions where permitted by law.*

## **Professional Staff & Compensation**

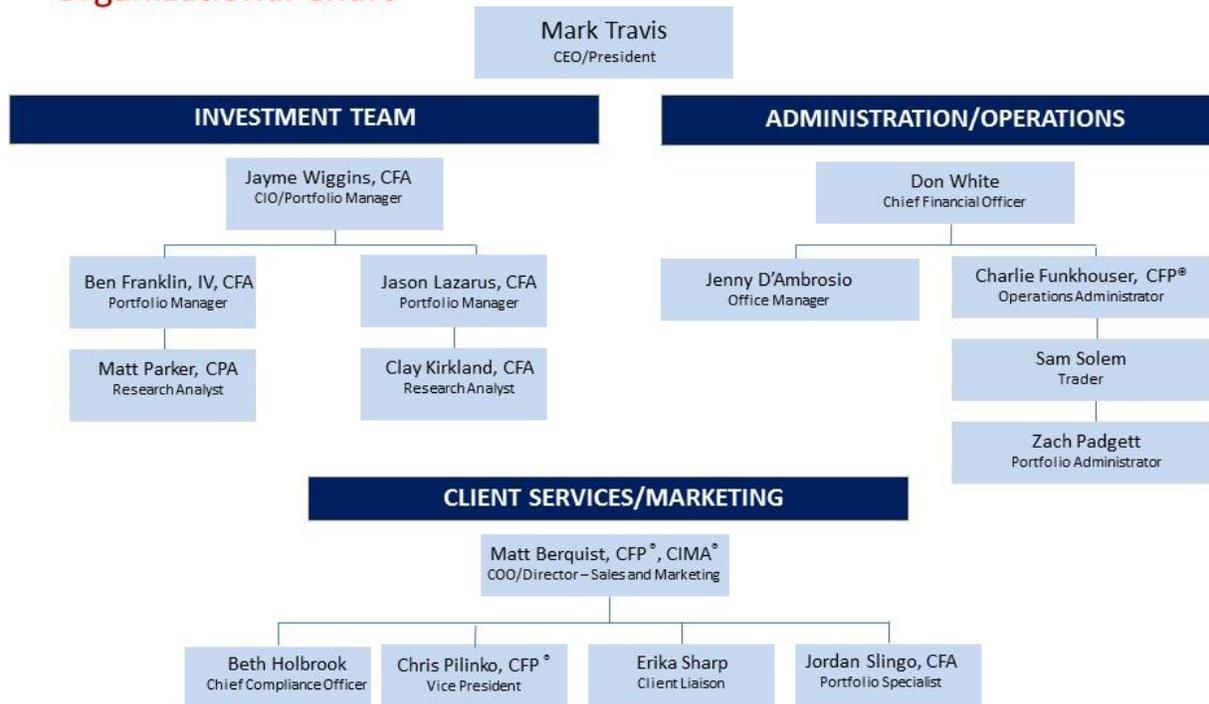
Intrepid Capital employs a team of 16 individuals. The Investment Team consists of 6 investment professionals. The Sales & Marketing team includes 5 members and 5 employees make up Operations & Trading. The Firm focuses strongly on building “intellectual capital”. All employees are encouraged to participate in on-going educational programs. Additionally, the Firm reimburses its employees for expenses associated with the pursuit of relevant professional designations and credentials, and select academic programs. It is the objective of Intrepid Capital to, whenever possible, promote from within the Firm. In evaluating potential hires, Intrepid Capital looks for enthusiasm, keen analytical skills, and proven academic and professional success.

The Firm’s annual compensation for its employees consists of the following components; base salary, cash and stock performance bonus, deferred compensation, a 401(k) match, and an ESOP contribution. Employees’ compensation can consist of any or all of the components, though some are governed by federal regulations as to how much can be given in a calendar year and how it is allocated to individuals. Each individual’s annual cash and stock performance bonus goals are comprised of an individual and corporate performance component. The individual portion is determined based on performance against a benchmark(s) or a set of objectives. The corporate portion is determined based on the Firm’s performance against an annual budget and corporate goals. Deferred compensation is discretionary and is determined based on a set of corporate and personal criteria. The 401(k) match and ESOP contribution is also discretionary and is determined annually by the board of directors and is based on the Firm’s profitability and achievement of corporate goals.

The Firm has a board approved stock option and restricted stock plan in place that consists of incentive stock options, non-qualified stock options, and restricted stock awards.

Currently, all employees own some Intrepid Capital stock outright and have stock options and/or restricted stock awards that have been granted to them.

**Organizational Chart**



## Investment Team

### **Mark Travis**

#### *CEO/President*

Mark is a co-founder of Intrepid Capital. He is also the lead portfolio manager of the Intrepid Capital Fund, the Intrepid Disciplined Value Fund, the separately managed Intrepid Balanced and Intrepid Disciplined Value portfolios and the Intrepid Capital, L.P. He has over 30 years of experience in asset management. Mark received his BA degree in Economics from the University of Georgia. Mr. Travis serves on the Board of Trustees of The Bolles School and the Board of Directors of Jacksonville Clay Target Sports. He is also a member of the Ponte Vedra Rotary Club and YPO-WPO.

### **Jayne Wiggins, CFA**

#### *CIO/ Portfolio Manager*

Jayne joined Intrepid Capital in 2002. As CIO, Mr. Wiggins oversees the investment process and team. He is the lead portfolio manager of the Intrepid Endurance Fund, the Intrepid Select Fund, and the separately managed Intrepid Small Cap and Intrepid Select portfolios. Mr. Wiggins is also a member of the investment team responsible for the Intrepid Capital Fund, and the Intrepid Balanced portfolio. He focuses on research and valuation of small-cap equity securities. Jayne has over 13 years of investment experience. A CFA Charterholder, Jayne received his MBA, *summa cum laude*, from Columbia Business School, and his BBA degree, *summa cum laude*, in Finance from Stetson University.

### **Ben Franklin, CFA**

#### *Vice President/Portfolio Manager*

Ben joined Intrepid Capital in 2008. He is the lead portfolio manager of the Intrepid International Fund and the separately managed Intrepid International portfolio. Prior to researching international companies, Mr. Franklin focused primarily on high yield income investments. A CFA Charterholder, Ben received his MBA in Finance and BBA degree in Management from the University of North Florida.

### **Jason Lazarus, CFA**

#### *Vice President/Portfolio Manager*

Jason joined Intrepid Capital in 2008. He is the lead portfolio manager of the Intrepid Income Fund and the separately managed Intrepid Income portfolio. Jason is also a member of the investment team responsible for the Intrepid Capital Fund and the Intrepid Balanced portfolio. Mr. Lazarus focuses on research of high yield fixed income investments. A CFA Charterholder, Jason received his M.S. in Finance and a BS degree, *cum laude*, in Industrial and Systems Engineering from the University of Florida.

**Clay Kirkland, CFA**

*Research Analyst*

Clay joined Intrepid Capital in 2012. He is a research analyst focusing primarily on high yield fixed income investments and previously spent time analyzing equity securities. A CFA Charterholder, Mr. Kirkland earned his MBA from Columbia Business School in 2011 and received his BS BA degree, *cum laude*, in Economics from Auburn University.

**Matt Parker, CPA**

*Research Analyst*

Matt joined Intrepid Capital in 2014. He is a research analyst focusing primarily on equity securities and is responsible for the performance reporting of all separately managed accounts and composites. Mr. Parker received his Master of Accounting degree and a BS in Business Administration degree from the University of North Carolina at Chapel Hill. He is a Level II candidate in the Chartered Financial Analyst® program.

**Client Service**

**Matt Berquist, CFP®, CIMA®**

*COO, Director – Sales & Marketing*

Matt joined Intrepid Capital in 2006. His responsibilities include overseeing corporate-wide and strategic initiatives and leading the sales and marketing team. Mr. Berquist's sales focus is with the company's direct private client relationship management process, and expanding the footprint of the Intrepid Capital Funds in the United States. Mr. Berquist has over 18 years of experience in the asset management and advisory industry. Matt received his BBA degree in Economics from the College of the Holy Cross.

**Beth Holbrook**

*Chief Compliance Officer*

Beth joined Intrepid Capital in 2007. She is responsible for the regulatory compliance oversight for the firm. Ms. Holbrook also oversees the updating of marketing material and coordinates client events and functions.

**Chris Pilinko, CFP®**

*Vice President*

Chris joined Intrepid Capital in 2011. He is responsible for developing and maintaining private client and registered investment advisor relationships. Mr. Pilinko has 12 years of business development experience. Chris received his BS degree in Civil Engineering from the University of Central Florida.

**Jordan Slingo, CFA**

*Portfolio Specialist*

Jordan joined Intrepid Capital in 2011. As a portfolio specialist, he acts as a liaison between the investment team and the sales and marketing team to assist in educating private clients and registered investment advisors about Intrepid Capital's investment philosophy, process and the composition and performance of specific investment products. Jordan is responsible for creating investment-oriented content for use at events, trade shows and client meetings and also assists in managing and cultivating client relationships. A CFA Charterholder, Mr. Slingo received his BBA degree, *summa cum laude*, in Finance from Stetson University.

**Erika Sharp**

*Client Liaison*

Erika joined Intrepid Capital in 2003. She is the client liaison and is responsible for customer service operations, including opening and maintaining client accounts, and supporting portfolio administration. Ms. Sharp has over 15 years of experience in the asset management industry. Erika received her BS BA degree in Finance from the University of Florida.

## **Operations & Trading**

**Don White**

*Chief Financial Officer*

Don joined Intrepid Capital in 2003. He is the Chief Financial Officer, responsible for the financial management and reporting of the firm. Mr. White is also responsible for the oversight of the firm's operations and administrative areas. Don has over 30 years of financial management and reporting experience. Mr. White received his BS degree in Accounting from LaSalle University.

**Charlie Funkhouser, CFP®**

*Operations Administrator*

Charlie joined Intrepid Capital in 2001. He is the operations administrator and is responsible for office systems and technology, maintaining client performance reporting and client relationship management software, and assists with trading. Charlie also supports the sales and marketing team with presentation updates and maintaining product due diligence databases. Mr. Funkhouser has over 16 years of experience in the asset management and investment advisory industries. Charlie received his BBA degree in Accounting from the University of North Florida.

**Sam Solem**

*Trader*

Sam joined Intrepid Capital in 2010. He is the lead trader for Intrepid. Mr. Solem also assists the sales and marketing team with presentation and brochure updates. Sam received his MBA in Finance from the University of North Florida and his BA degree in Economics from Vanderbilt University.

**Zach Padgett**

*Portfolio Administrator*

Zach joined Intrepid Capital in 2011. He is the portfolio administrator for Intrepid. Mr. Padgett received his BBA degrees, *summa cum laude*, in Accounting and Finance, and his MBA in Finance from the University of North Florida.

**Jenny D'Ambrosio**

*Office Manager*

Jenny joined Intrepid Capital in 2017. She provides administrative support for the office, manages the day-to-day operations of the office, assists with client and company functions, and serves as the primary point of contact for many company related matters.

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## Portfolio Management

### Investment Philosophy

Since its inception, Intrepid Capital has followed the same basic investment philosophy. We invest in financially strong companies that can be purchased at what we believe is a sizeable discount to their intrinsic value. We focus on companies that are not efficiently priced by the market. To find these opportunities, we search for companies that can be valued with a high degree of confidence, are market leaders, have a proven record of returning cash flow to shareholders, have strong balance sheets, and have proven management. These characteristics help us with our goal of participating in up markets and protecting capital in down markets.

### Team Approach

Investment ideas are shared across the Firm and between portfolios. Our research team is comprised of portfolio managers and research analysts who search for and evaluate ideas. Ultimately, the lead portfolio manager of the investment strategy has final say and responsibility for which securities are bought and sold. Intrepid Capital's investment team meets on a weekly basis. However, all analysts and portfolio managers work in close proximity to one another and ideas are shared throughout the course of each business day.

## Equity Investment Process

### Idea Generation

There are five main ways we generate investment ideas. The following are listed in order of importance:

- 1) Internal database
- 2) Screen for companies trading at low multiples of operating income and free cash flow
- 3) Review equities with significant share price declines
- 4) Leverage research synergies across equity and credit teams
- 5) Read a broad range of financial and industry publications

Intrepid Capital's investment process starts with our investable universe of securities ranging from \$200 million to hundreds of billions of dollars (depending upon the specific strategy) in market capitalization. These include domestic and foreign securities, although the current portfolios predominantly consist of U.S. companies. We generally eliminate companies from consideration that do not meet the following criteria: companies must be profitable, generate positive free cash flows, and have reasonable financial leverage. Often times, we use firm valuation metrics (i.e. Enterprise Value) when screening to account for use of leverage. In addition to screening based on valuation (e.g.

EV/EBIT or free cash flow yield), we also screen for companies trading near their 52-week low price levels that may be out of favor or otherwise mispriced by the market. Another important source of ideas comes from the body of knowledge built by our research staff over the years. Some high-quality businesses have been followed continuously but may not be owned at a particular time. When the prices of such stocks decline to a level that we believe affords an adequate margin of safety, we stand prepared to invest. Ideas are also sourced from our credit team as they evaluate modestly leveraged high yield companies. If the credit team analyzes a company and determines the company has a clear plan to reduce debt, they will share their research with the equity team. We may then evaluate these securities for inclusion in the equity portfolios.

### **Evaluation Process**

All research at Intrepid Capital is done internally following a bottom-up value based strategy. Once a candidate is found, we thoroughly review the company's business strategy, financials, competitors, and outlook. Our analysts focus on company filings, conference calls, discussions with management and other sources when generating company reports. We make use of primary research, not sell-side materials. SEC filings are critical to understanding a business's history and stability, as well as the primary drivers for the business. If the candidate passes our initial due diligence, we may ask questions of management or others in the industry to aid our understanding of the business. Management contact, typically via phone, can be important to better clarify accounting questions or to understand the challenges and opportunities facing the target business in question. The final step in our process is to discount the candidate's future free cash flows to determine intrinsic value. The core concept is to value a business in its entirety, as if we were buying the stock in a private market transaction. We discount free cash flows using normalized assumptions as opposed to peak or trough free cash flows. We use discount rates between 10% and 15% depending upon a business's operational and financial risk. We also use realistic growth rate assumptions, which tend to be between 3% and 5%. This value is then adjusted to reflect excess working capital, hidden assets, hidden liabilities and debt. If the market value is at least 20% below our calculated intrinsic value, the candidate is considered for purchase. While the existence of a catalyst may be desirable, we do not require a catalyst before investing in a security. Although discounting free cash flows is our primary valuation methodology, we also calculate asset valuations when appropriate. Determining the potential takeover price for a business allows us to understand potential upside, but it is not our main technique.

### **Purchase and Sale Discipline**

We are very valuation sensitive. We will not usually acquire a company unless we can buy it at a 20% discount to its intrinsic value. Positions are typically sold when they cross our intrinsic value estimate. Turnover is not a consideration in our sell discipline. Our sell discipline is driven by the occurrence of three potential events:

- Valuation target achieved
- Degradation of fundamentals

- Misleading statements/information from management

The investment team at Intrepid Capital prefers to be fully invested to the extent we are able to identify suitable candidates that meet our valuation criteria. If we are unable to find undervalued stocks, we will hold cash. This is a fundamental aspect of our process. In bull markets, many of our portfolio holdings reach valuation and are then sold. This generates cash to take advantage of opportunities in adverse market environments that often follow. The amount of cash in the portfolio is a function of the available discounted securities we find that meet our valuation criteria.

### **Risk Management**

Simply put, our definition of risk is losing money. We try to control risk by ensuring that we understand a business's operating characteristics, cash flows, and balance sheet, and then waiting to buy shares until we believe there is at least a 20% discount to our fair value estimate. On average, we tend to own shares in businesses with more stable end markets and without highly leveraged balance sheets. These can usually be valued with a higher degree of confidence. This risk control process helps us participate in up markets and helps protect capital in down markets.

Risk is measured and controlled through two key mechanisms. First, the investment process includes elements specifically designed to assess and measure the risk associated with each security, including assessment of a company's operational risk and its financial risk. We strive to avoid companies with both kinds of risk, and will limit position sizes based on the risk profile presented by a prospective investment. Position size is the second element we employ to control risk. While we do not build positions based on sector/industry mandates, as we feel such requirements and limits actually add risk to a portfolio, we do limit our exposure by limiting investment in a single security to 6% of the portfolio. In conjunction with our valuation discipline, this limitation has historically limited our sector exposures and created a diversified portfolio with an attractive risk-adjusted return profile. Our portfolios are concentrated, and we generally own 25 to 50 securities in each portfolio. Max position weight at initial purchase is 5% and initial position size is dictated by the discount to intrinsic value and our conviction level.

## **Fixed Income Investment Process**

### **Idea Generation**

We start with the two thousand plus issuers in the Bank of America Merrill Lynch High Yield Master II Index, plus smaller issues not included in the index, as well as investment-grade and convertible bonds. We utilize Bloomberg terminals to screen based on simple, broad criteria. We specifically screen the following metrics:

## Request for Information

- Yield-to-Maturity
- Spread
- Maturity
- Leverage – Debt / TTM EBITDA
- Interest Coverage – TTM EBIT / interest expense

We apply similar metrics to the entire index to identify suitable candidates. Additionally, we use our equity research to expand our potential buy list. After the broad screening, we scan each company's financial statements to further narrow down the field. We do not use sophisticated screening methods specifically because we do not want to overlook potentially attractive investments.

We use multiple screens to eliminate companies which do not meet criteria. For example, we seek businesses that generate free cash flow, and have management teams that are focused on conservatively allocating capital. We also seek businesses that own significant tangible assets. Potential candidates may arise from the use of these screening methods. A second and equally important source of ideas comes from the body of knowledge built by our research staff. Some businesses have been followed for years but may not be owned at a particular time. Depending upon price, these may be suitable candidates as well.

### **Evaluation Process**

The portfolio managers carefully select securities that, after passing most or all primary criteria, appear to have an attractive yield relative to the risk taken. Risk is measured in both a quantitative and qualitative manner. The portfolio managers tend to keep the duration short, with the average duration usually shorter than five years. The short duration helps reduce interest rate risk so that the focus can be on credit research. The decision on the adequacy of the yield is also based on both quantitative and qualitative properties of the bond in consideration. The option-adjusted spread of the bond over the comparable U.S. Treasury bond is an important quantitative measure in the yield received. After a report is written, the Investment Team will discuss the potential investment.

### **Purchase and Sale Discipline**

When the decision to establish an initial position is made, we will determine the current market price (many of our issues trade very infrequently) and engage one of our bond dealers. After purchase, the position is constantly reviewed and quarterly updates are generated for each security owned in the portfolios. Positions are exited either at maturity, or when the yield becomes unwarranted by business fundamentals.

### **Risk Management**

The investment process includes elements specifically designed to assess and measure the risk associated with each security, including assessment of a company's operational risk and financial risk. Our primary goal is to limit the possibility of permanent capital impairment. We believe our credit

analysis is the most important tool we have to help reduce this risk. We also strive to limit interest rate risk by avoiding securities with long maturities. Position size is also an important factor. Our portfolios are concentrated, and we generally own 10 to 40 securities in the portfolio. The target position size is 4% - 5%, which is dictated by a security's risk-adjusted potential return. We do not build positions based on sector/industry mandates, as we feel such requirements and limits actually add risk to a portfolio. Generally, our maximum position size is 5% of assets. In conjunction with our discipline, we believe this limitation has created a diversified portfolio with an attractive risk-adjusted return profile.

## **Trading**

### **Trading Work Flow**

The lead portfolio manager ("PM") of each strategy is the sole decision maker on the purchase and sale of securities for that particular strategy. Once the PM decides to purchase or sell a security, the PM sends the order to the trader via Bloomberg Message and/or email. The trader provides written confirmation of receipt of the order and proceeds to enter the order on the Firm's order list. The PM will provide a target portfolio weight for the security. The PM will also provide a limit or authorize an acceptable price range to trade the security. Limits will reflect the discount the PM wishes to purchase a security or the premium the PM wishes to sell the security. The PM will also give the trader other necessary instruction such as market impact, security news, and any other pertinent information.

### **Trading Systems**

Intrepid Capital utilizes Advent Portfolio Exchange ("APX") as its internal data management system. APX contains all transaction, price, security, and account information for all strategies and accounts. APX imports data daily into the Advent Moxy Order Management System ("Moxy OMS"). The trader uses Moxy OMS to calculate the number of shares necessary to fill each order. Moxy OMS is used to track and store trading and allocation data as well as calculate new orders and allocate finished orders. Intrepid Capital traders use Bloomberg's EMSX trading platform for execution. Trades are routed from Bloomberg's EMSX to a broker for execution or the trader may execute the order using various electronic desks. The trader monitors orders closely throughout the trading day. Careful attention is paid to execution price and market impact.

### **Allocations**

Once the market closes, allocations are then sent to the executing broker-dealer as well as Intrepid Capital's back office. Allocations are computed in Moxy OMS on a pro-rata basis. Exact pro-rata allocations may not be achieved due to rounding of quantities to achieve round lot positions in separately managed accounts. In instances where accounts are required or deemed cost-effective to trade at different brokers, accounts are likely to receive different execution prices. But, generally, all accounts trading the same security at a specific broker-dealer will receive the same average price.

The back office enters the trade detail in Moxy OMS and sends allocation tickets to the appropriate custodian to make sure the trades are reconciled accurately the following trading day. Moxy OMS syncs with APX, which is reconciled daily to ensure accurate information for trading including portfolio asset weights, available cash, etc. Intrepid Capital's back office sends the trade ticket detail to the PM's for daily review.

### **Trade Errors**

Errors created in an advisory account must be corrected so as not to harm the client. If the Firm reallocates or corrects an error from one client's account to another, the Firm will be responsible for any loss from the error. Soft dollar arrangements cannot be used to correct errors made by the Firm when placing a trade for a client's account. All trade errors must be corrected under the direct supervision and approval of the CCO. The CCO, or his/her designee, shall maintain documentation of all trade errors and the manner in which the error was corrected.

### **Security Lending**

Intrepid Capital does not lend out any securities that we own.

## **Brokerage**

### **Best Execution**

Consistent with Intrepid Capital's policy to obtain best execution, transactions are placed with broker-dealers after giving consideration to the quality, quantity, nature and size of the broker-dealer's professional services which include execution capabilities, responsiveness, timeliness, price, commission rate, clearance procedures, custodial and reporting services and market, statistical and other research information provided. Based upon the quality and quantity of brokerage and research services provided, as determined by the Firm, and the considerations described above, a client account may pay a brokerage commission in excess of that which another broker-dealer might have charged for effecting the same transaction. The Firm maintains a "Broker Scorecard" where it ranks brokers in several key areas to measure and track best execution. This scorecard reflects a quantitative analysis to enhance our ability of achieving best execution.

### **Block Trading & Allocation**

Block trading and aggregation of orders by Intrepid Capital for its clients are permitted. When decisions are made to purchase or sell securities for a number of clients, simultaneously, the transactions are generally averaged as to price and are allocated as to amount in accordance with the daily purchase or sell orders actually executed for each client. All trades are allocated and transmitted to brokers by the end of the trading day. In the event of a partial fill, shares will be allocated pro-rata based on original total order quantity, unless it proves cost-prohibitive for some accounts to receive

their pro-rata portion, in which case shares will be filled randomly. The Firm uses Moxy OMS to determine order quantities and calculate pro-rata and random allocations when necessary.

### **Soft Dollar Relationship**

Pursuant to Section 28(e) of the Securities Exchange Act of 1934, Intrepid Capital may have soft dollar arrangements whereby the Firm has the discretionary authority to select broker-dealers who may charge commissions in excess of the lowest available commissions, in recognition of the value of products or services provided by the broker-dealer to the Firm. The products or services arranged or provided by the broker-dealer may be used in servicing all the Firm's clients, but may or may not be used in connection with accounts that have paid commissions to the broker-dealer providing the service. Research products and services may include access to proprietary research systems, access to third party providers of pricing and performance information, and discounts on software applications. Soft dollar arrangements will be reviewed on a regular basis to ensure proper value is being received for the cost.

### **Leverage**

Intrepid Capital's separately managed accounts do not use leverage. The Intrepid Capital Funds also do not use leverage. The Intrepid Capital, L.P. may use leverage from time to time.

### **Collateral Management**

The Intrepid Capital Funds and Intrepid Capital, L.P. post cash collateral when they engage in futures trading. Securities are not posted as collateral. Trading of futures is done with Wells Fargo Securities, LLC. Wells Fargo Securities, LLC marks the collateral daily. Collateral management is facilitated through Intrepid Capital's trader and portfolio administrator and the Wells Fargo Prime Services, LLC futures account relationship manager.

### **Counterparty Credit Management**

Intrepid Capital does have some counterparty credit risk. From time to time, Intrepid Capital's portfolios will engage in foreign currency forward contracts in order to hedge currency exposure in long equity and/or debt positions in foreign securities. Intrepid Capital uses major publicly traded global banks as counterparties in the transaction of foreign currency forward contracts. As of May 2017, Intrepid Capital currently has ISDA agreements (see page 42) with Bank of Montreal, Bank of New York Mellon, J.P. Morgan, Morgan Stanley, National Australia Bank, Wells Fargo, and State Street. All counterparties mark the forward contract values daily.

The trader and portfolio administrator of Intrepid Capital are responsible for the evaluation of counterparty risk and the transaction, settlement, and monitoring of any foreign currency related transactions. The trader and portfolio administrator monitor currency derivative positions through online portals.

## **Compliance**

### **Designated Chief Compliance Officer**

Intrepid Capital maintains its compliance function in-house. Beth Holbrook joined Intrepid Capital in 2007. Beth is the Chief Compliance Officer (CCO), responsible for the regulatory compliance oversight for the firm. Beth Holbrook, CCO, reports directly to Matt Berquist, COO.

### **Code of Ethics**

Intrepid Capital maintains a Compliance and Supervisory Procedures Manual, as well as a formal Code of Ethics that all employees receive, and acknowledge in writing that they have received and read. Both documents are reviewed and updated, by the CCO, not less frequently than annually.

### **Personal Trading Policy**

Intrepid Capital employees are required to keep on file with the Firm's CCO an up-to-date listing of all brokerage accounts that they or their spouse have, as well as, any accounts that they have trading authority or beneficial interest in. A copy of the monthly/quarterly statements of these accounts must be submitted to the CCO within 30 days of the end of the month/quarter for review and recordkeeping.

Generally, employees may not purchase or sell, directly or indirectly, any securities in which the employee has, or by reason of such transaction acquires, any direct or indirect beneficial ownership and which to the employee's actual knowledge at the time of such purchase or sale is being considered for purchase or sale by a client. In addition, employees generally must obtain approval from the Firm's CCO before directly or indirectly acquiring beneficial ownership in any securities in an initial public offering or in a limited offering.

With regard to securities transactions that are not prohibited, an employee generally must obtain pre-clearance of such transaction. The following transactions do not require pre-clearance.

- Purchases or sales effected in any account over which the employee has no direct or indirect influence or control.
- Purchases or sales which are non-volitional on the part of the employee.
- Purchases which are part of an automatic dividend reinvestment plan.
- Purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of its securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired.

### **Regulatory Filings**

The CCO is responsible for all regulatory filings. The CCO works with the Firm's outside legal counsel to ensure accuracy and timeliness in all filings. The CCO may designate other employees of the Firm to assist with filings and in fulfilling the CCO's responsibilities.

### **Regulatory Examinations**

Intrepid Capital last underwent an SEC examination in August of 2008, which covered the period of January 2007-October 2009. The SEC documented its findings/comments in a letter to the Firm. Intrepid Capital fully addressed each of the findings and comments in its response to the SEC. For a copy of the SEC 2009 examination letter and the Firm's response thereto, please contact Beth Holbrook, CCO at (904) 246-3433 x 1224.

### **Litigation Issues**

The Firm is not currently aware that it is the focus of any pending or ongoing litigation, formal investigation, or administrative proceedings.

### **ISDA Agreements**

The International Swaps and Derivatives Association ("ISDA") establishes standards for transactions in over the counter ("OTC") derivative markets. ISDA has developed standard contracts to better protect counterparties trading derivatives. Intrepid Capital adheres to the ISDA March 2013 DF Protocol. The Firm currently has ISDA Agreements with Bank of Montreal, Bank of New York Mellon, J.P. Morgan, National Australia Bank, Morgan Stanley, State Street and Wells Fargo. Intrepid Capital uses these agreements to facilitate the trading of currency forwards ("FX") for foreign equity hedging purposes. The typical FX transaction involves hedging a long equity position that was purchased on a foreign exchange and exposes the position to currency fluctuations. Portfolio managers, traders, and the back office personnel monitor any FX derivative transactions.

### **Public Company Board Membership**

Intrepid Capital does not have a policy against Firm employees sitting on the board of private or publicly traded companies, or charitable organizations. Every year all employees must disclose to the CCO if they are a member of an outside board and if so, which board(s) do they serve on and what titles they hold.

## **Accounting and Recordkeeping**

### **Internal Accounting System**

Intrepid Capital's CFO maintains the financial records for Intrepid Capital Management. Intrepid Capital uses APX to track all transactions, positions, and price data for the mutual funds, LP, and

separately managed accounts. Advent Partner is utilized to track the LP. Several other Advent Software products are employed to further supplement internal recordkeeping.

### **Reconciliation Process**

The portfolio administrator reconciles all separately managed accounts, mutual funds, and the LP daily. This daily process reconciles transactions, positions, prices, and cash to match the custodian's records. The reconciliation process matches the orders in Moxy OMS to the confirmations generated by DTC. Any discrepancies are resolved immediately. After the previous day's transactions are confirmed with DTC, all positions, prices, and transactions are posted into all accounts using APX. A Standard Reconciliation Report and Purchase and Sale report are then run daily to make sure all accounts are reconciled prior to market open. The role of the portfolio administrator is dedicated to the settlement and reconciliation of trades and client accounts.

### **Exposure Reporting**

Intrepid Capital's CEO/President, Mark Travis, monitors investment exposures. Mr. Travis receives daily reports from the portfolio administrator and office manager regarding positions and asset class exposure summaries. The trader also reports to Mr. Travis on Firm exposures.

### **Performance Reporting**

Intrepid Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Intrepid has been independently verified by ACA Performance Services, LLC for the period 12/31/05 – 12/31/16. Previously, verification was received from The GriggsGroup for the period 12/31/94 – 12/31/05 and from KPMG for 1998. Verification assesses whether (1) the firm has complied with all the composite construction requirement of the GIPS Standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The verification and performance examination reports are available upon request.

### **Client Reporting**

Intrepid Capital has various methods of communication with clients including, but not limited to monthly and quarterly statements, online access to account information, quarterly performance reviews, quarterly investment commentaries, periodic Webinars, electronic mail, and personalized presentations to review investment results in relation to goal objectives.

The sales and marketing team, led by Matt Berquist, CFP®, CIMA®, COO maintains client relationships. Our team's experience includes working with both institutional and high-net worth (HNW) clientele. Intrepid Capital's website includes links to recent product updates, commentaries which review performance and portfolio activity, as well as other market topics of interest. In addition, upon request, Intrepid Capital will make every effort to have a portfolio manager available for client meetings.

Reports are typically provided quarterly, but can be provided at other intervals (i.e. monthly, semi-annually, annually) to meet our client's requirements. In addition, clients have the ability to request an ad-hoc report or retrieve reports electronically.

### **Separately Managed Accounts**

The assets in separately managed accounts ("SMA") are held at Charles Schwab and tracked in APX for accounting and trading. SMA accounts are accounted for in the same way as mutual fund accounts. They are reconciled daily, reported on quarterly, and given access to Black Diamond Performance Reporting.

### **Record Retention Policy**

The policy of Intrepid Capital is to maintain required Firm and active client records and files in its corporate office. Client records and files which have been closed are kept on-site for two years from the end of the applicable fiscal year in which the account was closed; then shipped to a secure off-site facility. Intrepid Capital has a contract with a third-party provider of outsourced record storage. This service provides Intrepid Capital with classification and retention management of former (closed) client records and files and other corporate records.

Records related to the Firm's performance, advertising and corporate existence are typically kept on-site for longer periods. All books and records are maintained per the SEC requirements under the Investment Advisers Act of 1940.

Many records are scanned in and kept on secure electronic drives which are backed up in accordance with Intrepid Capital's Disaster Recovery and Business Continuity Plan.

## **Custody**

### **Custodians**

Separately Managed Accounts  
Custodian: Charles Schwab & Co., Inc.

Intrepid Capital Funds  
Custodian & Administrator:  
US Bancorp Fund Services, LLC  
615 East Michigan Street  
Milwaukee, WI 53202

Intrepid Capital, L.P.  
Introducing Broker:

Convergex Prime Services  
30000 Mill Creek Ave., Ste. 350 | Alpharetta, GA 30022

### **Money Movement**

No Firm employee has authority to move client assets without being given written permission by the client prior to doing so. In addition, the custodian holding the account has additional requirements for the Firm to meet prior to any asset movement. Client asset movement is typically facilitated by Intrepid Capital's client liaison, Erika Sharp.

## **Information Technology Systems**

### **Systems Administration**

Intrepid Capital's CFO, Don White, and operations administrator, Charlie Funkhouser, are responsible for technology systems. Intrepid Capital uses Advent Software's suite of products to track and manage the Firm's investment portfolios. APX is the core product of the system, and is used to track data for all accounts as well as maintain system information such as prices, exchange rates, reporting, regulatory data, etc. Advent's products: Dataport, DTCC, and Data Exchange are integrated with APX for reconciliation purposes. Advent's Moxy OMS is our order management system, and is integrated with APX to make sure all trading data is accurate and real time.

### **Systems Back Up, Storage, & Disaster Recovery**

Intrepid Capital has a contract with a third-party provider of outsourced data center services. This service provides Intrepid Capital with a secure equipment environment, managed co-location services, system monitoring, back-up services with offsite replication, and metro Ethernet connectivity. The third-party provider owns and operates 23 data center facilities located in 10 cities. Intrepid Capital also has a contract with a third-party provider of managed desktop solutions. This service provider provides all the desktop patch management, anti-virus software and 24/7 systems monitoring.

## **Miscellaneous**

### **Intrepid, L.P. Use of Gates**

Limited partners are restricted from withdrawing funds from the Intrepid, L.P. for one year after their investment. After the first year passes, limited partners are allowed to withdraw their funds once per quarter.

### **Custody, Audit, Administrator Contacts**

Contacts at our various third party business relationships can be provided upon request.

### **Outside Counsel**

Foley & Lardner LLP  
One Independent Drive  
Suite 1300  
Jacksonville, FL 32202

### **Insurance**

Error and Omissions:

\$3,000,000 – Investment Advisors  
\$5,000,000 – Investment Company

Excess Liability:

\$3,000,000 – Investment Advisors

Fiduciary Liability:

\$5,000,000 – Investment Company

Fidelity Bonding:

\$500,000 – Investment Advisors  
\$900,000 – Investment Company

### **Audit**

Intrepid Capital Corp., the parent company of Intrepid Capital, has its financial statements audited annually by Pivot CPAs, a Northeast Florida based certified public accounting firm. A copy of Intrepid Capital Corp's latest audit can be provided upon request by contacting the Firm's CFO, Don White, at 904.246.3433 x1220.

### **Additional Information**

Additional information about Intrepid Capital may also be found on Part 2 of its Form ADV which can be reviewed and downloaded off the Securities and Exchange Commission's website at [www.adviserinfo.sec.gov/iapd](http://www.adviserinfo.sec.gov/iapd).