INTREPID CAPITAL FUND

Intrepid Capital Funds *the constant pursuit of value*

4TH QUARTER 2019 COMMENTARY

4Q 2019

DECEMBER 31, 2019

PERFORMANCE

	Inception Date	Total Return Qtr.	Total Return YTD	Total Return 1 Year	Average Annualized Total Returns as of December 31, 2019 3 Year	5 Year	10 Year	Since Inception
Intrepid Capital Fund - Inv.	1/03/05	2.77%	6.44%	6.44%	-0.11%	1.35%	5.42%	5.41%
Intrepid Capital Fund - Inst.	4/30/10	2.77%	6.55%	6.55%	0.09%	1.60%	-	4.86%
S&P 500 Index		9.07%	31.49%	31.49%	15.27%	11.70%	13.56%	9.06% ^
Blmbrg Barclays Com. Index		5.38%	22.64%	22.64%	11.00%	8.45%	9.87%	7.37% ^
ICE BofAML US High Yield Index		2.61%	14.41%	14.41%	6.32%	6.13%	7.50%	7.11% ^

^Since Inception returns are as of the fund's Investor Class inception date. Since the inception date of the Institutional Class, the annualized return of the S&P 500 Index is 13.25%, Bloomberg Barclays Combined Index is 9.62% and ICE BofAML US High Yield Index is 6.99%.

Performance data quoted represents past performance and does not guarantee future results. *Investment returns and principal value will fluctuate, and when sold, may be worth more or less than their original cost. Performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 866-996-FUND. The Fund imposes a 2% redemption fee on shares held for 30 days or less. Performance data does not reflect the redemption fee. If it had, returns would be reduced.*

Per the Prospectus dated January 28, 2019, the annual operating expense (gross) for the Intrepid Capital Fund-Investor Share Class is 1.47% and for the Intrepid Capital Fund-Institutional Share Class is 1.22%. The Fund's Advisor has contractually agreed to waive a portion of its fees and/or reimburse expenses until January 31, 2020 such that the total operating expense for the Capital Fund-Investor Share Class is 1.15% and for the Capital Fund-Institutional Share Class is 1.15%. The Capital Fund-Investor Share Class may have Net Expense higher than these expense caps as a result of any sales, distribution and other fees incurred under a plan adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended (the "Investment Company Act"), acquired fund fees and expenses or other expenses (such as taxes, interest, brokerage commissions and extraordinary items) that are excluded from the calculation. As a result of the calculations, the Net Expense for the Capital Fund-Investor Share Class is 1.41%. The Net Expense for the Capital Fund-Institutional Share Class is 1.16%. The Net Expense Ratio represents the percentage paid by investors. Otherwise, performance shown would have been lower.

January 9, 2020

Dear Friends and Clients,

This letter always causes me to stop (however briefly!) and reflect on the past, whether it is the most recent quarter, the past year, 5 years, 10 years, etc. In today's case, it is a much deeper reflection looking back on 25 years since cofounding Intrepid Capital with my father, Forrest. We celebrate our firm's 25th birthday this month.

I sit here today as a 58-year-old, having spent my entire working career in the investment management business; it will be 36 years this summer. At the time I started the firm, I fled a high paying job, up the freight elevator in the now Bank of America tower in downtown Jacksonville, despite a wife at home with our first of two children (who was just 1 year old). I left with the simple idea of creating something better for our clients; a place where my team and I would coinvest with clients, on identical terms as fiduciaries.

Despite an environment that has been challenging for asset management companies, in my opinion, this firm has survived and thrived for the last 25 years for two reasons: 1) a philosophy of balancing both risk AND reward to obtain optimal results for our clients, and 2) staying steadfast to that philosophy despite short-term market conditions.

I named the firm Intrepid Capital after Ted Turner's America's Cup sailboat. The name implies it is not for the faint of heart. This is not to say that I was going to openly embrace risk; I wasn't then and I'm not now. The name to me was more centered around the necessity to look different than our peers, sometimes for the better and sometimes for the worse. While I can proudly show a long-term track record, the last five years have been humbling.

Said another way, Intrepid has been successful for clients long-term because it has been willing to look different than the typical money manager - often in a way that meant managing risk more closely when conditions warranted, but at times increasing risk when we saw it as favorable for long-term client outcomes. As a result, I have oftentimes thought of myself as a "Risk Manager" just as much as a "Portfolio Manager."

Top Ten Holdings	(% OF NET ASSETS)
Berkshire Hathaway, Inc. - Class B	3.6%
American Outdoor Brds, 08/28/2020, 5.000%	3.5%
Caleres, 08/15/2023, 6.250%	3.3%
The Madison Square Garden Co. - Class A	3.1%
IAA, Inc.	3.1%
FirstCash, 06/01/2024, 5.375%	2.9%
SP Plus Corp.	2.9%
Cisco Systems, Inc.	2.8%
Jefferies Financial Group, Inc.	2.8%
Skechers U.S.A., Inc. - Class A	2.7%

Top ten holdings are as of December 31, 2019. Fund holdings are subject to change and are not recommendations to buy or sell any security.

Unfortunately, over the last five years, our philosophy of managing risk while seeking reward has not kept up with strategies that can be characterized as "highly risk-seeking." We are not proud of our underperformance over this period and are taking aggressive steps to address it. But we also want to emphasize that – over our 25 year history – we have been through periods like this before, and have come through them with our clients in a stronger place each time by remaining focused on risk. Our 25 years of experience covering several market cycles suggests that portfolio managers are like pilots in that "There are old pilots, there are bold pilots, but there are no old bold pilots."

This does not mean we are standing by and simply waiting for market trends to turn in our direction. We remain hard at work finding attractive opportunities – based on a balance of risk AND reward - for the capital you entrusted to us. This past year has been especially fruitful in that sense, as we purchased more new ideas in 2019 than we have in many years. We attribute this increased activity to the same spirit of continuous process improvement we have employed over the past 25 years and are particularly excited about our most recent process tweaks based on early results.

We look forward to Intrepid's next 25 years of navigating through the constant change in the markets. We are thankful for our clients' trust as we continue to employ our "risk manager"-focused strategy, which we think is especially important today in a world where investment portfolios look more and more similar due to the increasing prevalence of indexing. While recent market returns have been dominated by stocks with large weights in the common indexes as investors aggressively seek higher risk profiles, you can entrust Intrepid to stay differentiated from its peers and continue to manage risk prudently.

As a real-life example, the Intrepid Capital Fund ("ICMBX" or the "Fund") has the unusual distinction of making The *New York Times* "Mutual Fund List" twice: as a 5-year performance leader in 2011 (when managing risk was rewarded well) and a 5-year performance laggard in 2019 (when managing risk was not rewarded). Same guy, same place, doing the same thing: employing an investment strategy that has done well for clients for over 25 years.

This is the hallmark of the Intrepid name and the driver of our past success. With this philosophy in place, we believe the next twenty-five years should be even more rewarding for our clients.

As for the short-term, for the three months ended December 31, 2019, the Intrepid Capital Fund increased 2.77% compared to 5.38% for the benchmark consisting of 60% S&P 500 Index/40% Bloomberg Barclays US Gov/Credit Index. The largest contributors during the period were Jefferies Financial Group (ticker: JEF), Sykes Enterprises (ticker: SYKE), and Skechers USA (ticker: SKX). The three largest detractors were Vistra Energy (ticker: VST), Select Interior Concepts (ticker: SIC), and Dollar Tree (ticker: DLTR).

Happy 25th Birthday, Intrepid Capital! And thank you to our clients and shareholders for their trust in us. If there is anything we can do to serve you better, please don't hesitate to call.

Best regards,

Mark F. Travis, President
Intrepid Capital Fund Portfolio Manager

Mutual fund investing involves risk.

All investments involve risk. Principal loss is possible. The Fund is subject to special risks including volatility due to investments in smaller companies, which involve additional risks such as limited liquidity and greater volatility. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments by the Fund in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. The Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. The risks of owning ETFs generally reflect the risks of owning the underlying securities they are designed to track. ETFs also have management fees that increase their costs versus the costs of owning the underlying securities directly.

The S&P 500 Index is a broad-based, unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The Bloomberg Barclays Combined Index consists of an unmanaged portfolio of 60% common stocks represented by the S&P 500 Index and 40% bonds represented Bloomberg Barclays US Government/ Credit Index. ICE BofAML U.S. Corporate Index is an unmanaged index of U.S. dollar denominated investment grade corporate debt securities publicly issued in the U.S. domestic market with at least one-year remaining term to final maturity. The ICE BofAML US High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million. You cannot invest directly in an index.

Cash Flow measures the cash generating capability of a company by adding non-cash charges and interest to pretax income. Initial Public Offering (IPO) is the first sale of stock by a private company to the public.

Opinions expressed are subject to change, are not guaranteed and should not be considered investment advice or recommendations to buy or sell any security.

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