

## PERFORMANCE

	Inception Date	Total Return			Average Annualized Total Returns as of December 31, 2021			
		Qtr.	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Intrepid Endurance Fund - Inv.	10/03/05	3.60%	6.58%	6.58%	11.10%	5.82%	5.21%	7.75%
Intrepid Endurance Fund - Inst.	11/03/09	3.65%	6.78%	6.78%	11.37%	6.06%	5.46%	6.66%
Morningstar Small Cap Index		3.73%	16.25%	16.25%	19.45%	11.50%	12.97%	9.53% ^

^ 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 Morningstar Small Cap Index is 13.50%.

### 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 31, 2022, the annual operating expense (gross) for the Intrepid Capital Fund-Investor Share Class is 1.74% and for the Intrepid Capital Fund-Institutional Share Class is 1.52%. The Fund's Advisor has contractually agreed to reduce its fees and/or reimburse expenses until January 31, 2023, such that the total operating expense for the Endurance Fund-Investor Share Class is 1.30% and the Endurance Fund-Institutional Share Class is 1.15%. The Endurance Fund 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 Endurance Fund-Investor Share Class is 1.31%. The Net Expense for the Endurance 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 1, 2022

Dear Fellow Shareholders,

Small cap stocks finished off the last quarter of the calendar year with a more volatile path than one would assume just by looking at the result. Small cap indices rose over 10% by early November, fell to negative returns by early December, but rebounded to low single-digit percentage returns by the end of the quarter. Specifically, the Russell 2000 returned 2.12% in the fourth calendar quarter of 2021 (the Fund's first fiscal quarter of 2022). The Intrepid Endurance Fund Investor Share Class ("Fund") returned 3.60%, slightly underperforming the 3.73% return of its benchmark Morningstar Small Cap Index.

Activity in the Fund was higher than usual, as the volatility this quarter gave us more opportunities to gradually position the portfolio better for potential inflationary economic outcomes and/or higher interest rates. To reiterate our goal from last quarter, we try not to base our investment decisions on macroeconomic predictions, but we do want to make sure that the Fund is appropriately positioned should the market's fear of "higher for longer" inflation and higher interest rates come true.

We purchased five new positions during calendar Q4 and sold three. The purchases were:

- Civitas Resources (CIVI) - Civitas Resources is the new name of a company we have owned in the past – Bonanza Creek Energy. A lot has changed, the company has done several mergers over the last year and has consolidated itself into one of the largest, scaled energy producers in Colorado. But their low leverage, high free cash flow model has only gotten better as they have grown.

- Hilltop Holdings (HTH) - Another former holding, Hilltop is a diversified regional bank based in Dallas. We believe it is one of the best positioned and well-managed small cap banks that we have researched and trades at what we consider an attractive multiple on a relative or absolute basis.
- Conduent Inc. (CNDT) - A large player in the business process outsourcing industry (BPO) where we believe the market has not recognized new management's progress in its turnaround after prior years of mismanagement.
- Verano Holdings (VRNOF) - A major US cannabis company with operations in a number of limited license states. We reduced positions in our other cannabis names upon adding Verano in an effort to diversify total cannabis exposure (we now own three cannabis businesses).
- Naked Wines (WINE LN) - A direct-to-consumer wine retailer with an interesting "subscription-like" business model that we think is being unfairly punished in the market's rotation away from "covid winners."

Top Ten Holdings

(% OF NET ASSETS)

Green Thumb Industries, Inc.	6.1%
Trulieve Cannabis Corporation	5.2%
Skechers USA Inc. - Class A	5.1%
Civitas Resources, Inc.	5.1%
Franklin Covey Co.	5.0%
Take-Two Interactive Software, Inc.	4.7%
WNS Holdings Ltd	4.6%
LGI Homes, Inc.	4.6%
Jefferies Financial Group, Inc.	4.0%
IAA, Inc.	3.6%

Top ten holdings are as of December 31, 2021. Fund holdings are subject to change and are not recommendations to buy or sell any security.

Our three sales this quarter were Vimeo (VMEQ), Five Below (FIVE), and Etsy (ETSY). Vimeo was a holding we received as a spin-off from another position and subsequently divested. Five Below and Etsy are both consumer companies whose stocks exceeded our estimates of intrinsic value during the quarter following quite successful holding periods.

The largest positive contributors for the quarter were Take-Two Interactive Software (TTWO), Etsy (ETSY), and Franklin Covey (FC). Take-two reported one of the strongest quarters of the large video game publishers and the stock rebounded from a sluggish end to calendar Q3. Similarly, Etsy's stock rocketed higher following stellar results and we sold the stock shortly after. Finally, Franklin Covey finished the year with continued improved results that have more than fully recovered from the pandemic.

The largest negative contributors were Green Thumb Industries (GTBIF), Turning Point Brands (TPB), and Dropbox Inc. (DBX). Despite a great Q3 result, Green Thumb stock fell sharply during the quarter as negative investor sentiment around political developments for cannabis continued to outweigh economic fundamentals. Tobacco products company Turning Point Brands stock fell after revising guidance for Q4 results lower. Finally, Dropbox fell in the quarter despite solid results as we believe it got caught up in drawdown in speculative technology stocks despite sporting strong cash flow and a reasonable valuation.

For the calendar year, the Fund reported a disappointing 6.58% return versus the benchmark Morningstar Small Cap Index's 16.25% return. The Russell 2000 index returned 14.78% for the calendar year.

The top contributors for the calendar year were Franklin Covey (FC), LGI Homes (LGIH), and Fabrinet (FN). The top detractors for the calendar year were each cannabis businesses – Green Thumb Industries (GTBIF), Cresco Labs (CRLBF), and Trulieve (TRUL CN).

The Fund's underperformance for the calendar year was due to the large weight throughout the year in the cannabis industry as well as its underweight position in several industries that outperformed.



The US cannabis industry is one we have discussed at length before in the Fund's prior letters. To avoid sounding too much like a broken record, we will keep it short: we are very disappointed in the poor returns these stocks reported this year, but their operating results were outstanding. We continue to hold these positions, although to remain prudent we have reduced our overall weighting over the last six months, spread out our bet a bit more to reduce concentration while keeping quality high, and utilized the drawdown to harvest tax losses towards the end of the year.

The remaining underperformance for the year was attributable to an underweight position in "recovery play" stocks such as energy and financials. These types of stocks were especially in favor during Q1 of the calendar year, and we found ourselves somewhat "offside." In general, these sectors have not been our favorite areas in which to allocate capital over the last few years, as many of these companies are unprofitable or lack any meaningful competitive advantages. However, as conditions have changed (namely higher interest rates and commodities prices), we have increased exposure to these sectors and have a more balanced positioning heading into calendar 2022 than in 2021.

Looking at the whole portfolio, it is clear our underperformance was due to positioning rather than underlying company results. With very few exceptions, the companies the Fund held this year performed well in excess of our expectations. We will continue to focus our effort on discovering and investing your capital in companies that have significant competitive advantages, are well-managed, have conservative balance sheets, and trade at reasonable valuations. We will also work hard to continue to maintain a well-balanced portfolio among industries and "factors," as the stock market shows no signs of abating from the trend of violent factor rotations that we have written about in the past. Over longer time horizons (e.g. 2-3 years), however, we are confident that fundamentals will outweigh the market's mood swings, and that our process will deliver attractive risk-adjusted returns.

Thank you for your trust and investment. With the Fund full of well-run and well-managed companies reporting results consistently above our expectations, we look forward to 2022. While many in the financial press are currently making predictions of higher inflation, slower growth, or other worrying developments, we remain focused on finding the best risk/reward opportunities we can in the small cap market. Should the volatility we saw this quarter continue, we will work hard to use that to your advantage.

Matt Parker, CFA, CPA  
Intrepid Endurance Fund Co-Portfolio Manager

Joe Van Cavage, CFA  
Intrepid Endurance Fund Co-Portfolio Manager

**Past performance is not a guarantee of future results.**

Mutual Fund investing involves 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. 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 Morningstar Small Cap Index tracks the performance of U.S. small-cap stocks that fall between 90th and 97th percentile in market capitalization of the investable universe. The Russell 2000 Index consists of the smallest 2,000 companies in a group of 3,000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization. You cannot invest directly in an index.

Free cash flow represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets.

Cash flow refers to the net amount of cash and cash equivalents being transferred in and out of a company.

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

Any tax or legal information provided is merely a summary of our understanding and interpretation of some of the current income tax regulations and it is not exhaustive. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation. Neither the Funds nor any of its representatives may give legal or tax advice.

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