

PERFORMANCE

	Inception Date	Total Return			Average Annualized Total Returns as of September 30, 2023			
		Qtr.	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Intrepid Small Cap Fund - Inv.	10/03/05	-3.58%	4.29%	12.88%	2.27%	1.91%	1.66%	5.88%
Intrepid Small Cap Fund - Inst.	11/03/09	-3.53%	4.42%	13.04%	2.42%	2.11%	1.88%	4.42%
Morningstar Small Cap Index		-4.56%	5.71%	14.22%	9.01%	3.40%	7.06%	7.67%

^ 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 10.52%.

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, 2023, the annual operating expense (gross) for the Intrepid Small Cap Fund-Investor Share Class is 1.77% and for the Intrepid Small Cap Fund-Institutional Share Class is 1.51%. The Fund’s Advisor has contractually agreed to reduce its fees and/or reimburse expenses until January 31, 2024, such that the total operating expense (net) for the Small Cap Fund-Investor Share Class is 1.30% and the Endurance Fund-Institutional Share Class is 1.15%. The Small Cap 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 Small Cap Fund-Investor Share Class is 1.30%. The Net Expense for the Small Cap Fund-Institutional Share Class is 1.15%. The Net Expense Ratio represents the percentage paid by investors. Otherwise, performance shown would have been lower. As of June 6, 2022, the Intrepid Endurance Fund’s name changed to the Intrepid Small Cap Fund.

October 1, 2023

Dear Fellow Shareholders,

The third quarter of 2023 began with a carryover of the benign market environment that we wrote about last quarter. Despite a steady rise in interest rates, volatility remained subdued and small cap stocks marched higher, with the Russell 2000 returning over 6% in July.

Conditions in August and September, however, were much more volatile. Oil prices and long-term interest rates screamed higher, with the 10-year treasury reaching its highest level since 2007. Small caps tumbled, reversing their July gains and ending the quarter down -5.1% (as measured by Russell 2000).

The surge in interest rates later in the quarter remains front and center on investors’ minds. Unlike similar treasury selloffs we saw in 2022, however, this spike in rates came when headline inflation was much lower. Now investors are wondering (1) if higher rates are here to stay and (2) if so, can the economy and asset prices digest them without much pain. Predictions vary, but confidence does not (reminding us of the old phrase “often wrong, never in doubt”).

Some argue that rate increases are explained by a healthy acceleration of economic expansion, pointing to metrics like real wage growth and low unemployment. These optimists tend to believe stock prices are well supported and can move higher. On the other hand, some bears blame a supply/demand mismatch in the treasury issuance market and point to an unsustainable fiscal deficit (return of the bond vigilantes?). They believe rates are poised to move higher and stocks to move lower. Others say that this is simply a return to a more normal interest rate environment after a central bank driven historical anomaly for much of the last decade.

We're thankful that our investment process doesn't require us to diagnose every wiggle in the treasury market or predict where rates will go next. However, we prefer to err on the side of caution and invest as if rates will remain higher instead of wagering that we're on the brink of a return to the loose money policy that defined the last decade. That means constructing a portfolio of businesses with strong balance sheets that aren't dependent on the debt markets to keep them afloat.

The Intrepid Small Cap Fund ("the Fund") returned -3.53% during the quarter, slightly outperforming the -4.56% return of its benchmark Morningstar US Small Cap Index. For the Fund's fiscal year ended September 20, 2023, it returned 13.04% versus 14.22% for its benchmark. As value investors focused on downside protection, we sometimes say that we aim to participate in bull markets and protect in bear markets. While we aren't happy to trail our benchmark, we are reasonably pleased to have captured over 90% of the upside in what was a strong last twelve months for small caps.

The Fund's relative performance this quarter was also a tale of two halves. It lagged small cap indices by a wide margin when small caps rallied in the beginning of the quarter, before outperforming by an even wider margin as stocks fell later in the quarter. We normally expect a healthy amount of tracking error vs our benchmark given the concentrated nature of our holdings and our high active share. While this was abnormally high even by our standards, it is not the result of any major changes to the portfolio.

The three largest contributors to the Fund's performance for the quarter were Fabrinet (FN), Park Aerospace (PKE) and Civitas Resources (CIVI). The three largest detractors were Silicom (SILC), IAC Interactive (IAC) and Valvoline (VVV). We continue to own each of these detractors and believe that the selloffs during the quarter were due to temporary issues rather than deterioration in long-term fundamentals.

For the fiscal year ended September 30, the three largest contributors were Fabrinet, Civitas Resources and Skechers (SKX), and the three largest detractors were Silicom, Pageseguro (PAGS) and WNS Holdings (WNS).

Trading activity has been higher than normal in the last several weeks as market volatility has picked up. In general, you should expect us to be more active in choppy markets as it's more likely there will be dislocations from our fair value estimates.

We think the Fund is positioned well in the event that credit markets continue to tighten. Of our top-ten holdings, five have net cash and only two have above one turn of net leverage. As we look forward to a potentially more volatile market in upcoming quarters, our game plan remains the same as it has in similar periods of market stress:

Top Ten Holdings

(% OF NET ASSETS)

WNS Holdings Ltd. - ADR	5.6%
Beclé SAB de CV	5.4%
Park Aerospace Corp.	5.3%
Dropbox Inc. - Class A	5.3%
FRP Holdings, Inc.	5.3%
Franklin Covey Co.	4.9%
Skechers USA Inc. - Class A	4.5%
Silicom Ltd.	4.5%
Valvoline, Inc.	4.4%
Acuity Brands, Inc.	3.9%

Top ten holdings are as of September 30, 2023. Fund holdings are subject to change and are not recommendations to buy or sell any security.

- 1) **Prioritize strong balance sheets** – Security selection will emphasize businesses that can comfortably withstand a higher rate environment. This is not to say that we wouldn't buy any company that had meaningful debt, but instead, that the discounts we will require to own these businesses will be greater.
- 2) **Maintain cash buffer** – The fund will hold a 5-10% position in cash (or short-term money market instruments) to serve as dry powder that can be deployed into attractive opportunities should markets draw down.
- 3) **Capitalize on volatility** – Continue to use bouts of volatility to our advantage by adding exposure to stocks that become more attractive and trimming from those that become less attractive.

In the context of a macroeconomy that seems highly uncertain, we find it helpful to stay focused on the dozens of businesses that we understand extremely well. We believe our simple strategy of investing in good businesses at good prices will produce attractive results over full market cycles, which eliminates the need for us to constantly change our approach as the winds shift.

If you have any questions or would like to discuss any of our holdings in more detail, please don't hesitate to give us a call.

Thank you for your investment.

Top Contributors in Q3 2023

Fabrinet (FN)
Park Aerospace (PKE)
Civitas Resources (CIVI)

Top Detractors in Q3 2023

Silicom Ltd. (SILC)
IAC Interactive (IAC)
Valvoline (VVV)

Top Contributors in Fiscal Year 2023

Fabrinet (FN)
Civitas Resources (CIVI)
Skechers USA – Class A (SKX)

Top Detractors in Fiscal Year 2023

Silicom Ltd. (SILC)
Pagseguro Digital – Class A (PAGS)
WNS Holdings – ADR (WNS)



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Intrepid Small Cap Fund Co-Portfolio Manager



Joe Van Cavage, CFA
Intrepid Small Cap 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 Funds' investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company. Please read it carefully before investing. A hard copy of the prospectus can be requested by calling 866-996-FUND (3863).

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. You cannot invest directly in an index.

The Russell 2000 Index is a market index comprised of 2,000 small-cap companies.

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

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