

PERFORMANCE

	Inception Date	Total Return			Average Annualized Total Returns as of December 31, 2023			
		Qtr.	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Intrepid Small Cap Fund - Inv.	10/03/05	7.03%	11.62%	11.62%	-1.78%	4.05%	1.96%	6.19%
Intrepid Small Cap Fund - Inst.	11/03/09	7.06%	11.79%	11.79%	-1.62%	4.26%	2.18%	4.84%
Morningstar Small Cap Index		14.07%	20.59%	20.59%	4.56%	10.88%	7.56%	8.34% ^

^ 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 11.36%.

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, 2024, the annual operating expense (gross) for the Intrepid Small Cap Fund-Investor Share Class is 1.96% and for the Intrepid Small Cap Fund-Institutional Share Class is 1.70%. The Fund's Advisor has contractually agreed to reduce its fees and/or reimburse expenses until January 31, 2025, 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.

January 1, 2024

Dear Fellow Shareholders,

There is a popular saying in many areas that goes: "if you don't like the weather, wait a few minutes."

The same could be said of sentiment in the stock market, and Q4 was a prime example. In the last few weeks of Q3, interest rates surged, oil prices rocketed higher, and stocks tumbled. The chief concern was the rapidly rising level of treasury rates, which had just made 15-year highs. Prominent commentators suggested that the market was in a new regime and was headed for much higher rates. Calls for a recession grew louder.

What a difference a few months can make! As fears subsided with cooling inflation readings, the Fed surprised the market in December with a projection for rate cuts in 2024 (not just a "pause"). For investors conditioned to monetary stimulus, this was the "all clear" Pavlovian bell. The market then appeared convinced that a "soft landing" with accommodative monetary policy had been achieved. Small cap stocks, which are generally seen to be more economically sensitive than larger stocks, rallied sharply in the last three weeks of December to notch a great quarter.

While we don't tend to view markets from the top-down, it's hard not to say that the odds of a soft landing have improved. Inflation appears to be levelling off at a more manageable level. Supply chains have recovered. Consumer demand still looks to be in decent shape and company earnings have held up reasonably well. Credit spreads ended the year at their lows and look poised for a more friendly financing environment in 2024.

However, it seems premature to declare victory. This hiking cycle – one of the most aggressive in decades – ended less than six months ago, and many economists believe it can take over a year for increases to be felt in the real economy. Furthermore, we wouldn't say that earnings this quarter were stellar. For many of the more economically sensitive businesses we follow, management teams cited outlooks that reflected deteriorating conditions and slowing discretionary consumer spending.

We have tried to invest the majority of the Intrepid Small Cap Fund's ("the Fund") capital in defensible businesses with strong balance sheets, while maintaining a small buffer of cash. This positioning tends to be more conservative than the broader market, which means it often underperforms during short-term risk-on periods in which the market disproportionately rewards riskier companies. We balance this against an expectation to outperform during risk-off periods, as well as a view that a concentration in higher quality companies trading at attractive prices is likely to outperform over a full market cycle.

The fourth quarter of calendar 2023 was one of these short-term bouts of upside volatility in which the Fund did not keep up with the broader small cap stock indexes. It also happened to be a quarter in which two of the Fund's larger holdings had poor results that weighed on overall returns. As a result, the Fund returned 7.03% for calendar Q4 2023 compared to 14.07% for the Morningstar Small Cap Index.

The two poor performers were Silicom Ltd (SILC) and Becele SAB de CV (CUERVO) and both were outsized weights coming into the quarter. However, our reaction to each was very different.

Becele, the largest producer of tequila worldwide, posted disappointing results for Q3. Everything went wrong for Becele: demand declined sharply in all geographies outside of North America, input costs increased and squeezed gross margins, and advertising and corporate costs all grew despite the lower top line and gross margins. However, while this was a very poor quarter, there are green shoots ahead for Becele in the ability to rein in corporate costs as well as a long-awaited relief in agave input costs over the next several quarters. In the meantime, they continue to build upon their leading market share in tequila and Irish whiskey with their top-notch brands.

The outlook for Silicom is not as bright. The company reported a significant and sudden pause in demand as their telecom customers sat in an over-inventoried position. While that can happen, what made it harder to stomach is that the company admitted that customers were using this pause to renegotiate margin terms for Silicom, putting its historic mid-30% gross margins at risk and creating a significant risk to its business model. Despite a pristine balance sheet and high insider ownership, the visibility into the future cash flows at Silicom is simply not as clear as it is for Becele. As a result, we kept our Becele holding but jettisoned Silicom during the fourth calendar quarter.

Top Ten Holdings

(% OF NET ASSETS)

FRP Holdings, Inc.	6.3%
Dropbox Inc. - Class A	5.8%
WNS Holdings Ltd. - ADR	5.7%
Pagseguro Digital Ltd. - Class A	5.4%
Valvoline, Inc.	5.2%
Franklin Covey Co.	5.1%
Becle Sab De CV	4.5%
Park Aerospace Corp.	4.4%
Skechers USA Inc. - Class A	4.3%
Chicago Atlantic Real Estate Finance, Inc.	4.2%

Top ten holdings are as of December 31, 2023. Fund holdings are subject to change and are not recommendations to buy or sell any security.



The top-3 contributors to performance were Pagueguro (PAGS), Skechers (SKX), and Armstrong World Industries (AWI). Pagueguro and Armstrong World Industries both benefitted from very inexpensive valuations to start the period and were beneficiaries of the declining in interest rates during Q4. Skechers reported a very strong Q3 2023 result.

The Fund purchased one new holding this quarter: Helios Technologies (HLIO). Helios is an industrial business that makes hydraulic valves and electronic controls that are used in a number of different end markets. We previously owned the stock and sold it in early 2023 as it appreciated beyond our intrinsic value estimate. We were pleased to be able to buy it back again at a favorable price after it reported a disappointing Q3 earnings.

There were a number of stocks that approached our desired entry price levels early during the quarter. However, buying activity was generally slow in the quarter (particularly in December) as stocks marched higher. However, we did use this period of optimism to trim a handful of positions.

Looking forward to 2024, there have been no major changes to positioning or approach. We continue to hunt for high quality small companies trading at attractive prices. The Fund ended the year with cash of 5.7% that can be deployed in the event that market volatility returns. If small caps continue to grind higher, we would expect to monetize more of our holdings and gradually build cash reserves.

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.

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 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.

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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