INTREPID CAPITAL FUNDS

INTREPID INCOME FUND

2ND QUARTER 2024 COMMENTARY

2Q 2024

JUNE 30, 2024

PERFORMANCE

		Total Return			Average Annualized Total Returns as of June 30, 2024			
	Inception Date	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Intrepid Income Fund - Inst. ^	8/16/10	1.97%	4.65%	11.68%	4.93%	6.40%	4.26%	4.49%
Bloomberg USGov/Cred 1-5Y		0.83%	0.97%	4.66%	-0.20%	1.02%	1.42%	2.34%
Bloomberg US Agg Bond Index		0.07%	-0.71%	2.63%	-3.02%	-0.23%	1.35%	2.96%
ICE BoA US Corporate Index		0.12%	0.02%	5.02%	-2.83%	0.78%	2.39%	4.12%
ICE BoA US High Yield Index		1.09%	2.60%	10.41%	1.64%	3.73%	4.21%	6.11%

^ Institutional Class shares of the Intrepid Income Fund commenced operations on August 16, 2010. Performance shown prior to August 16, 2010 (Since Inception) reflects the performance of Investor Class shares, which commenced operations on July 2, 2007, and includes expenses that are not applicable to and are higher than those of Institutional Class shares.

Effective January 31, 2014, the Investor Class shares of the Fund were closed, and any outstanding Investor Class shares were converted into Institutional Class shares.

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 Income Fund-Institutional Share Class is 1.04%. The Fund's Advisor has contractually agreed to reduce its fees and/or reimburse expenses until January 31, 2025 such that total operating expense (net) for the Income Fund-Institutional Share Class is 1.01%. The Income Fund may have Net Expense higher than the expense cap 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 Income Fund-Institutional Class is 1.01%. The Net Expense Ratio represents the percentage paid by investors. Otherwise, performance shown would have been lower.

30-Day Subsidized SEC Yield: 7.50%; 30-Day Unsubsidized SEC Yield: 7.50%

July 1, 2024

Dear Fellow Shareholders,

The second quarter of calendar 2024 demonstrated meager but positive returns in fixed income markets. The Bloomberg US Aggregate Index was basically flat, returning only 0.07% for the quarter. The investment grade market did only slightly better (ICE BoA US Corporate Index returned +0.12%), while the shorter duration and high yield indices eked out modest returns. Specifically, the Bloomberg US Gov/Credit 1-5 Year Index returned +0.83% and the ICE BoA US High Yield Index returned +1.09% during the period.

Fortunately, the Intrepid Income Fund ("the Fund") fared better than these alternatives during calendar Q2, returning +1.98%. We attribute the meaningful outperformance to remaining disciplined with circumspect credit underwriting and avoiding the urge to position for anticipated changes in interest rates. We will leave the guessing to the experts.

As we discussed in past commentaries, our attention remains on short duration securities that adequately compensate the Fund for the credit risk it takes on. While we do occasionally target medium-duration opportunities in companies that offer an extraordinary degree of creditworthiness and attractive yield, we continue to do our best not to get distracted and change the Fund's positioning based on the constantly changing narratives in interest rates.

Top Ten Holdings	(% OF NET ASSETS)
Turning Point Brands, Inc.	4.0%
Cimpress PLC	3.9%
Vector Group Ltd.	3.4%
Atento SA	3.2%
Diversified Healthcare Trust	3.1%
Skillz Inc.	3.1%
Kronos Acquisition Holdings, Inc.	2.8%
Equitrans Midstream Corp.	2.7%
Gray Television, Inc.	2.7%
Rithm Capital Corp.	2.7%

Top ten holdings are as of June 30, 2024. Fund holdings are subject to change and are not recommendations to buy or sell any security.

We were pleased with both the Fund's performance in Q2, as well as the operating results of its holdings. With regards to performance, the Fund has outperformed credit market indices during the last few years of poor fixed income returns, so we were happy to continue that outperformance during a period of flat to positive returns. As indicated above, these results were driven by our strict underwriting and portfolio management process, and we were delighted that the Fund's holdings reported an excellent earnings season.

With that said, it was hard not to notice a general deceleration in earnings results as whole during Q2. In addition, reported inflation data began to trend closer to historic norms – lower than the elevated results of the last couple years. This combination could lead to a future rally in bonds should investors anticipate sharp interest rate cuts later in the year by the Federal Reserve (not unlike what happened in calendar Q4 2023).

Should that occur, it is fair to expect the Fund to underperform fixed income indices with higher inherent duration during periods of rapid interest rate declines that spur price-driven rallies. While the urge to position for a "rate relief" rally always exists, we believe remaining disciplined in our core competency of uncovering small, under-followed credits will continue to produce a very attractive return profile with limited credit risk and lower volatility for Fund shareholders. The Fund's strategy is designed to generate attractive returns through all environments and not just when prices rise rapidly.

The constant stream of maturities from a short duration positioning also allows us to exploit credit market gyrations by quickly deploying capital into the best perceived opportunities without the need to sell existing positions. While many investors are actively positioning longer out on the curve in anticipation of a huge bond bull market driven by sharply falling rates, we believe it is premature to assume a replay of past long-term "up and to the right" bond market rallies. To that end, the Fund is positioned well to take advantage of any future surprises in the macro data that might cause unexpected bond market volatility. Our actions remain guided by strong credit metrics and attractive risk/reward, rather than a bet on what the Federal Reserve's next action will be (and when they will occur!).

With a yield-to-worst of 9.5% and effective duration of 2.2 years, we believe our focus on small, inefficiently priced corporate credits and short duration provides the opportunity for investors to earn equity-like returns without the volatility of the stock market, while remaining senior in claim priority and avoiding meaningful interest rate risk. We continue to view this corner of the credit market as a structurally inefficient niche and welcome the opportunity to discuss it further with current and prospective Fund shareholders.

Thank you for your trust and investment. If there is anything you would like to discuss, please do not hesitate to reach out.

Sincerely,

Hunter K. Hayes

Hunter Hayes
Intrepid Income Fund Co-Portfolio Manager

Mark F. Travis, President
Intrepid Income Fund Co-Portfolio Manager

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. Investments in debt securities typically decrease in value when interest rates rise. The risk is generally 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 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 ICE BoA 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. Bloomberg U.S. Aggregate Bond Index is an index representing about 8,200 fixed income securities. To be included in the index, bonds must be rated investment grade by Moody's and S&P. ICE BoA US 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 Bloomberg US Gov/Credit 1-5Y TR Index measures the performance of U.S. dollar-denominated U.S. Treasury bonds, government-related bonds, and investment-grade U.S. corporate bonds that have a remaining maturity of greater than or equal to one year and less than five years.

The 30-day SEC yield calculation is an annualized measure of the respective fund's dividend and interest payments for the last 30 days, less the respective fund expenses. The 30-day subsidized SEC yield reflects fee waivers and/or expense reimbursements during the period. The 30-Day unsubsidized SEC yield reflects what a fund's 30-Day SEC yield would have been had no fee waivers or expense reimbursement been in place over the period.

Bond ratings are grades given to bonds that indicate their credit quality as determined by private independent rating services such as Standard & Poor's, Moody's and Fitch. These firms evaluate a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. Ratings are expressed as letters ranging from 'AAA', which is the highest grade, to 'D', which is the lowest grade. In limited situations when the rating agency has not issued a formal rating, the rating agency will classify the security as nonrated.

A high-yield bond is a high paying bond with lower credit rating than investment-grade corporate bonds, Treasury bonds and municipal bonds. Bonds in high yield indices tend to be less liquid and more volatile than U.S. Treasuries. Corporate bonds come with significant credit risks and, although sometimes secured by collateral, do not have any guarantee of principal repayment. U.S. Treasury Bonds are long-term government debt securities with a maturity of more than 10 years. They are guaranteed as to the timely payment of principal and interest and are backed by the full faith and credit of the U.S. Government. Investment Grade (IG) is a bond with credit rating of BBB or higher by Standard & Poor's or Baa3 or higher by Moody's.

Duration is an approximate measure of the price sensitivity of a fixed-income investment to a change in interest rates, expressed as a number of years. Call is an option contract that gives the holder the right to buy a certain quantity of an underlying security from the writer of the option, at a specified price up to a specified date.

Yield-to-worst is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting. It is a type of yield that is referenced when a bond has provisions that would allow the issuer to close it out before it matures.

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

Basis point is a standard financial measure for interest rates. One basis point equals 1/100th of 1%.

Current yield is the annual income (interest or dividends) divided by the current price of the security.

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.

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